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The State of the Region 1981

Economic Trends in the Northeast and Midwest

Northeast-Midwest Institute

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THE NORTHEAST-MIDWEST INSTITUTE

The last several years have marked an increasing recognition that the future of the Northeast and Midwest, America's traditional industrial heartland, is of critical importance to the nation. It was not until the severe recession of the early and mid-1970s that political, business, and community leaders in the region began to acknowledge how far its once-vigorous economy had slipped.

The mounting evidence of this economic shift away from Northeastern and Midwestern states moved members of Congress, governors, state legislators, business and labor leaders, and others to organize for study and common action.

Formed in September 1976, the Northeast-Midwest Congressional Coalition is a bipartisan organization of 213 representatives from 18 states in the region. The Coalition's 35-member steering committee is headed by four officers: Representative Robert W. Edgar (D-Pa.), chairman; and Representatives Frank Horton (R-N.Y.), James L. Oberstar (D-Minn.), and Silvio O. Conte (R-Mass.), co-chairmen. The Northeast-Midwest Senate Coalition, formed in 1978, is headed by Senators John H. Chafee (R-R.I.) and Daniel P. Moynihan (D-N.Y.).

These Northeast-Midwest coalitions in the House and Senate seek to inform their members about the regional implications of national policies and proposals, and to influence those issues of greatest importance to states in the region.

The Northeast-Midwest Institute--an independent, nonprofit research center--was developed to analyze the common problems of the region and to seek realistic solutions, particularly through congressional and administrative initiatives. While the 249 members of Congress represented in the House and Senate coalitions are key clients of its work, the Institute makes its findings available to governors and other elected officials, leaders of business, labor, and industry, and the public.

The Institute neither seeks nor encourages confrontations with other regions of the nation. In the Institute's view, economic problems of the regions must be addressed in the context of national policy because continued decline in one region undermines the economic health and vitality of the entire nation.

The Northeast-Midwest Congressional Coalition and the Northeast-Midwest Senate Coalition represent these state delegations: Connecticut, Delaware, Illinois, Indiana, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, and Wisconsin.

Tom Cochran, Executive Director

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edited by Bill Hogan

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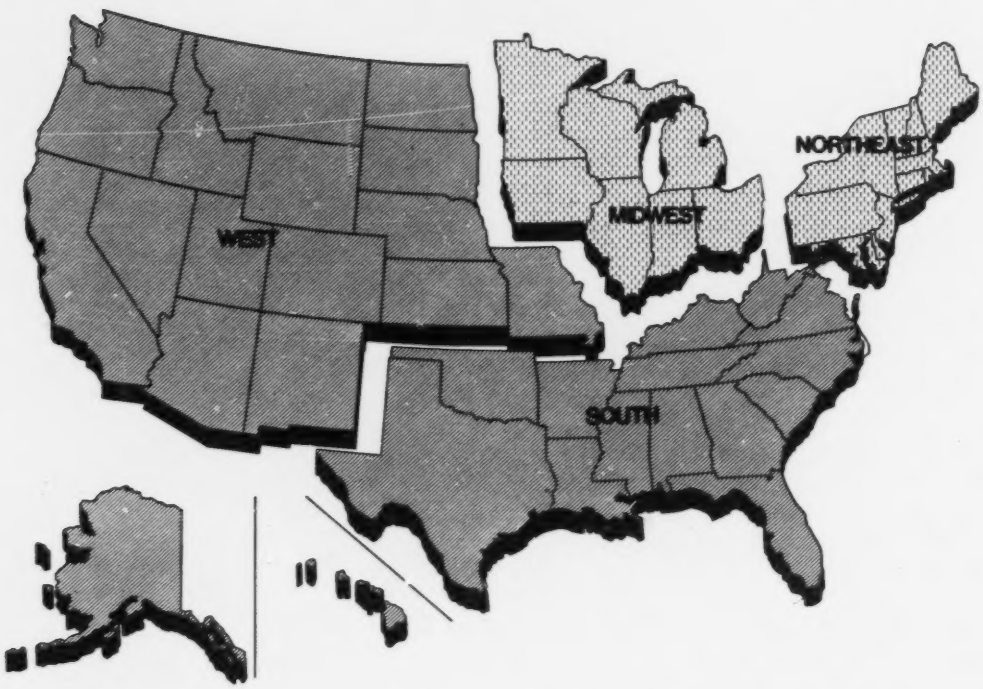
MAP 1
THE REGIONS



This map displays the regions of the United States as used in this report. Since this arrangement differs somewhat from regional configurations used by some government agencies, the following is a state-by-state breakdown:

NORTHEAST: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont

MIDWEST: Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, Wisconsin

SOUTH: Alabama, Arkansas, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia

WEST: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Kansas, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming

I. INTRODUCTION

In past 30 years we have witnessed a dramatic shift in the geographic configuration of the national economy. The Northeastern and Midwestern States, which gave birth to industrial development, large urban centers, and mass transportation, found their economic bases eroding and their factories and residences aging. Over the last two decades, employment, business investment, and real personal income grew faster in the South and West than in the so-called "Frostbelt." Population once concentrated in the Northeast-Midwest region began migrating to other parts of the nation. These changes accelerated markedly during the 1970s.

Although this shift never went entirely unnoticed in the Northeast and Midwest, it was not until the severe recession of 1975-76 that political, business, and community leaders in the region began to acknowledge that its once-vigorous economy was lagging. Occasional signals of economic distress soon became obvious long-term trends: low growth in population and jobs, high unemployment, and low rates of capital and business investment.

Responding to these economic warnings, congressional leaders organized the Northeast-Midwest Congressional Coalition in September of 1976. Shortly thereafter, a similar organization was formed in the Senate. These two groups, working with the Northeast-Midwest Institute, an independent, nonprofit research center, undertook a serious effort to determine the causes and scope of the region's economic troubles. The Coalitions also moved to develop feasible alternatives for solving these problems and have succeeded in achieving some major objectives, including:

- Repeal of the Maybank Amendment to the fiscal 1981 Defense Appropriations Bill in the House of Representatives, allowing the Defense Department to participate in the Labor Surplus Area (LSA) program. The LSA program directs government agencies to purchase some of their goods and services from firms located in areas of high unemployment. Modified repeal was adopted by the House-Senate conference committee, and was passed by both Houses;

- Approval of a three-year extension of the general revenue sharing program, continuing entitlements to local governments and authorizing a state revenue sharing program for fiscal 1982 and 1983;

- Defeat of attempts to reverse the Navy's decision to overhaul the U.S.S. Saratoga and three other aircraft carriers in the Philadelphia Naval Shipyard;

- Reversal of the Pentagon's decision to close the defense contracting center in Philadelphia and move its operations to Marietta, Georgia. This reversal resulted in greater savings to the Defense Department;

- Prevention of potential closure of a number of defense installations in the Northeast-Midwest region: Fort Dix in New Jersey, Loring Air Force Base in Maine, Fort Devens in Massachusetts, and Chanute Air Force Base in Illinois;

- Passage of a second formula for the Community Development Block Grant Program in 1977, reflecting the greater needs of urban areas suffering economic and population decline. The present dual formula approach recognizes two different community development needs, one for growing areas, the other for declining;

- Authorization of an additional $750 million over the next five years for completion of the Northeast Corridor Improvement Project -- a high-speed rail corridor stretching from Washington, D.C. to New York City to Boston.

A major activity of the Coalitions and Institute is the continual reexamination of the condition of the Northeast-Midwest economy. This edition of The State of Region is the second in a series, and has been preceded by over 30 major studies on specific public policy issues. Together, these research efforts demonstrate the broad range of changes the region's economy currently is undergoing. This study is intended chiefly to be a sourcebook of regional economic trends in the 1970s -- an economic primer, encompassing indicators such as population, employment, income, federal tax payments, energy costs, and business investment. Virtually every significant economic trend is reviewed in this book, allowing the reader to understand more fully the economic forces affecting regional growth and development. Over 45 different sources were utilized to conduct this analysis.

Examination of these varied sources indicates that the economic gap between the Northeast-Midwest region and the South and West is widening rather than narrowing. The dimensions of this regional gap are demonstrated throughout the report, which finds that:

- More than 90 percent of the nation's population growth between 1970 and 1980 occurred outside the Northeast-Midwest region;

- During the past nine years, over 3.4 million persons migrated from the Northeast and Midwest to other parts of the nation. New York alone lost 1.3 million residents, 7.1 percent of its population;

- The Census Bureau projects that the population of the South and West may grow at four times the rate of the Northeast and Midwest between 1980 and 2000;

- Nearly 60 percent of the growth of the nation's burgeoning service sector has occurred in the South and West;

- The Northeast-Midwest region lost over three-quarters of a million manufacturing jobs in the period 1970-1980;

- Unemployment in some cities in the Midwest has climbed as high as 23 percent, and throughout the Northeast-Midwest region it is well above the national average;

- Of the ten cities projected to have the best job growth prospects, according to Money magazine, none is in the Northeast or Midwest;

- Between 1970 and 1977 investment in new capital equipment in the Northeast and Midwest grew by 86.9 percent. In the same period, however, investment growth in the South and West was double this figure, nearly 160 percent;

- Only 12 of the 50 states are energy self-sufficient, and none is located in the Northeast or Midwest;

- Between 1975 and 1979, the 18 states of the Northeast and Midwest sent $165 billion more in taxes to Washington than they received in federal spending;

- During the past nine years, Defense Department employment in the region has been reduced by 30 percent. This has resulted in the concentration of more than 80 percent of all DOD employees in the South and West. California and Georgia combined have more employees than the entire Northeast-Midwest region.

The current evaluation of economic conditions in the Northeast and Midwest demonstrates that the region faces long-term structural problems. We must recognize, however, that the actual "state of the region" never can be measured completely by economic statistics. The region retains many strengths and resources, and these will be increasingly important in the coming decade. For example, the work force of the Northeastern and Midwestern states is highly skilled and educated. The region's ethnically diverse population has a long-standing tradition of inventiveness, reinforced by a rich political and cultural history. The area is well-endowed with some of the world's finest institutions of higher learning and centers of science and culture. The Northeast and Midwest have an abundance of water, while in other regions this resource is so scarce that the high rates of economic growth they demonstrated in the 1960s and 1970s may be abruptly curtailed in the 1980s. These assets represent but a small portion of the underutilized economic potential of the Northeast and Midwest.

The federal government never has been the sole cause nor the complete answer to the region's troubles: the leadership and energy to address these problems effectively must come from within the region itself. Decline is not inevitable. If the region's present problems are to be addressed squarely in the coming years, its citizens must take a clear look at the economic situation as it exists today. They must be willing to shed preconceptions, dispute prevailing myths, and work from new premises. We hope that the data and discussion presented here will help stimulate further exploration of the region's problems and potential. But more important, this analysis can provide a starting point for the development of new ideas and concrete proposals for addressing the region's future. By using their own internal resources, capabilities, and ingenuity -- and by learning from the examples of prospering sections of the country -- the Northeast and Midwest can reverse many of the economic trends that now are all too apparent. If they do so, the entire nation stands to benefit from once again making use of the full potential inherent in the region's economy.

II. POPULATION

The economic problems of the Northeast-Midwest region are reflected, at perhaps their most basic level, by the growth and movement of population among different regions. Since birth rates have declined across the nation, interregional migration has become the most important factor in population redistribution. Sudden, major population changes like those experienced by the regions in the last decade lead to the transfer of markets and can both signal and stimulate economic growth or decline. Although significant population shifts from the Northeast and Midwest to the South and West can be traced back several decades, the pace of change has intensified greatly since 1970.

Population Changes

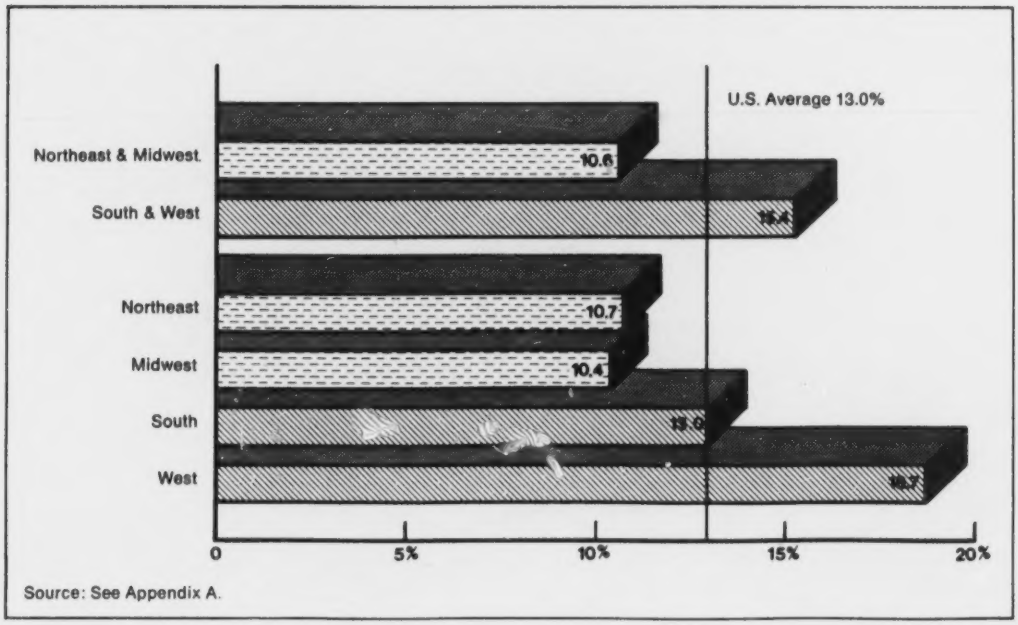
Between 1960 and 1970, the population of the South grew by 13.0 percent and of the West by 18.7 percent (see Figure 1). The Northeast, with a 10.7 percent growth figure, and the Midwest, at 10.4 percent, lagged substantially behind. Between 1970 and 1979, however, while the nation's population increased 8.3 percent, the South's population grew by 14.5 percent and the West's by 15.2 percent (see Figure 2). In the same period the Northeast, with 0.4 percent growth, and the Midwest, at 2.9 percent, experienced minimal expansion. Though this data reflects dramatic variances in regional growth rates, the differences are even more pronounced on a state-by-state basis.

In the South and West, ten states had a growth rate of more than 20 percent, including Nevada at 43.6, Arizona at 38.0, Wyoming at 35.5, and Alaska at 35.0. New Hampshire was the only state in the Northeast-Midwest region showing this level of a growth, expanding by 20.2 percent. During the same period population actually declined in three states, dropping by 3.3 percent in New York, 2.2 percent in Rhode Island, and 0.6 percent in Pennsylvania. Other states in the Northeast-Midwest region showed particularly low growth rates: 0.7 percent in Ohio, 1.1 percent in Illinois, and 1.4 percent in Massachusetts (see Appendix B).

On the whole, the South and West gained more than 15 million persons between 1970 and 1979 while the Northeast and Midwest gained approximately 1.5 million. Thus 90 percent of the nation's population growth took place in the Southern and Western regions of the country, where the growth rate was nearly double the national average.

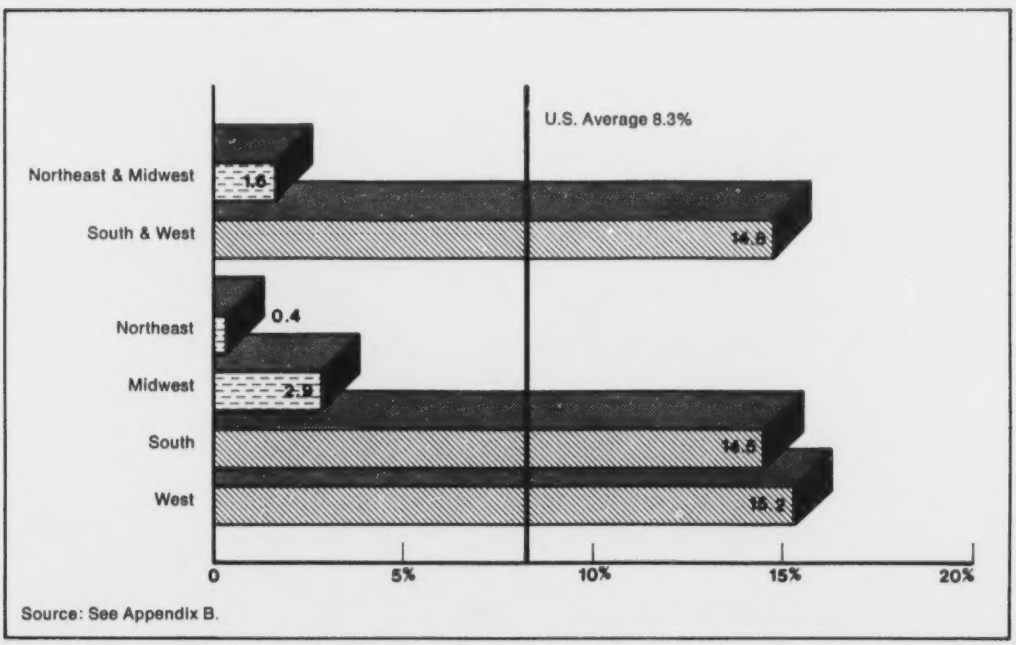
Metropolitan areas, particularly the largest metropolitan areas in the Northeast and Midwest, grew more slowly in the 1970s than the nation as a whole. This phenomenon takes on greater significance when we consider that three-fifths of the total population in the Northeast and Midwest resides in just four large metropolitan areas. However, only one-fifth of the population in the South resides in large metropolitan areas. Hence, slow metropolitan growth in the Northeast has greater consequences than in the South.

FIGURE 1
POPULATION CHANGE, 1960-70



Source: See Appendix A.

FIGURE 2
POPULATION CHANGE, 1970-79



Source: See Appendix B.

Preliminary estimates of the 1980 Census indicate that the fastest growing cities are located in the South and West. It is estimated that San Jose, Phoenix, El Paso, Houston, San Diego, and San Antonio all grew by more than 20 percent in the last decade. However, no cities in the Northeast or Midwest registered such high growth rates. Each of the 11 largest metropolitan areas in the region lost a significant amount of population.[1] In fact, four cities -- St. Louis, Cleveland, Detroit, and Pittsburgh -- experienced declines of more than 20 percent.[2] The census counts also offer dramatic evidence of the decline of older suburbs as well as older cities. Substantial growth, however, has taken place in small towns and rural areas, both on the edges of metropolitan areas and in isolated places far from the great cities. Smaller cities, outer suburbs, and rural areas 25 to 100 miles from the nation's larger cities are likely to experience continued substantial population increases.

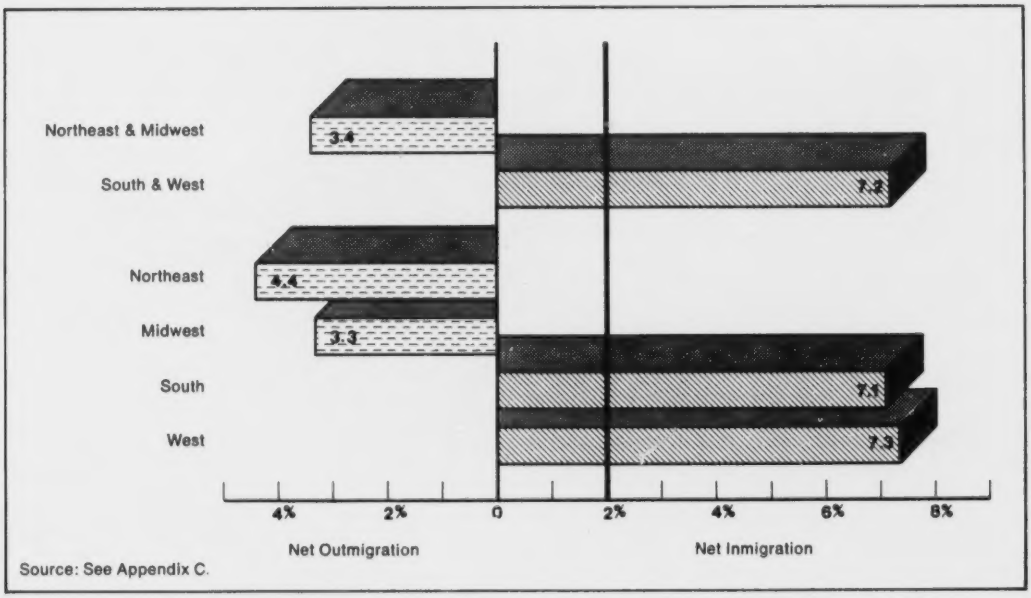
Migration Patterns

Recent population change is largely a result of migration from one region to another, and the present migration figures reflect the changing locational preferences of many Americans. In the Northeast-Midwest region, out-migration from 1970 to 1979 totalled 3.3 million persons. The attraction of the South and West is reflected by their net in-migration of more than 7.3 million persons (see Figure 3).

These high rates of net out-migration from the Northeast and Midwest are a reversal of an historical pattern, and have contributed significantly to the acute fall-off in population growth in the region. Twelve of the 18 Northeastern and Midwestern states had net migration losses between 1970 and 1979. New York lost 7.1 percent of its population, or 1.3 million persons. Ohio had a net loss of 565,000 persons and Illinois lost 542,000. In contrast, of the 33 states of the South and West only four -- Kansas, Missouri, North Dakota, and South Dakota -- experienced net out-migration during the same period. Migration trends in the South and West are becoming more diverse. Before 1970, California and Florida received most of their regions' in-migration. However, during the 1970s migration to the Sunbelt spread to a large number of states. Between 1975 and 1978, the South received more than three times as many in-migrants as the West. The greatest numbers settled in the South Atlantic states of Florida, Georgia, the Carolinas, the Virginias, Maryland, and Delaware.

Traditionally interregional migration has been characterized by the movement of large numbers of poor persons from the South to the Northeast and Midwest. Until the early 1970s, the South consistently had a net out-migration of people with incomes below the poverty level. However, in the past decade the number of poor people migrating from the South fell. Poor Southerners who relocate today are more likely to remain in the South than was the case in earlier years.[3] In the 1970s there was no increase in the number of poor leaving the Northeast-Midwest region. Futhermore, the patterns of interregional migration of black households came to resemble those of whites more closely. Blacks as well as whites showed a net out-migration from the two Northern regions and net in-migration to the South and West.[4] The migration patterns of low income people, many of whom are black, began to resemble those of the whole population. This movement,

FIGURE 3
NET MIGRATION, 1970-79



Source: See Appendix C.

reversing a trend that began before the Second World War, reflects the new economic geography of the country: jobs are plentiful in the South and West and living costs are comparatively low.

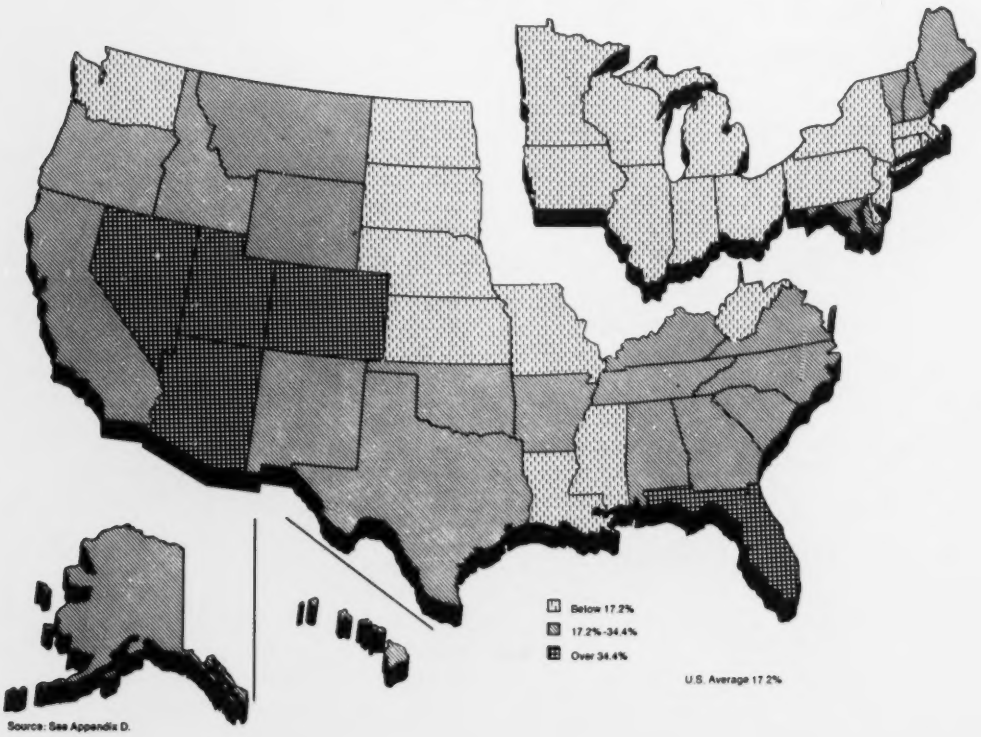
In earlier decades a significant portion of those moving from the Northeast-Midwest region to the South and West were retirees. That continues to be the case as the elderly comprise a higher percentage of the nation's overall population.

The reasons for migration go beyond economics. Family-related factors, the desire to be closer to relatives, and the desire for a "better" environment play a significant part in migration decisions, and undoubtedly have reinforced the trend toward greater migration to the South and West.

Population Projections

A recent Census Bureau study projects that between 1980 and 2000, the population of the South and West will grow more than four times faster than that of the Northeast and Midwest. Florida and Arizona are at the top of the scale, with projected increases of 49.8 percent and 48.8 percent. They are followed by Colorado, with 37.9 percent, Nevada, at 37.2 percent, and Utah, at 35.4 percent (see Map 2).

MAP 2
POPULATION PROJECTIONS, 1980-2000



For the Northeast-Midwest region, the projections are for continued slow population growth. The Census Bureau anticipates that New York's population will increase by only 0.3 percent by the year 2000. Ohio and Pennsylvania both will show gains of less than 5 percent, while Illinois' 5.9 percent increase will be only slightly better. Projections for the large metropolitan areas of the Northeast and Midwest also are bleak. With the exception of Los Angeles, the ten lowest growth cities from 1980 to 1990 all will be located in the Northeast-Midwest region. New York City, Cleveland, Pittsburgh, and Newark are projected to lose more than 3 percent of their populations. On the other hand, the ten highest growth cities all will be located in the South and West. The Economics Division of U.S. News and World Report predicts Fort Lauderdale-Hollywood, Florida, will have a 58.2 percent increase, Orlando 44.7 percent, and Phoenix 42.2 percent.[5]

Political and Economic Implications

The current shift in population certainly will undermine both the political and economic strength of the Northeast-Midwest region. Nationwide attention has been focused on the outcome of the 1980 Census, whose population figures will be used to determine the reapportionment of congressional seats, the redistricting of state legislatures, and the distribution of approximately one-half trillion dollars in federal program funds over the next decade. The prospective impact of the 1980 Census has generated widespread controversy and litigation even prior to publication of the results. This controversy has focused on two central issues: statistical adjustment of the figures for the population undercount and inclusion of illegal aliens in the census enumerations. Each of these issues has constitutional, legislative, and public policy ramifications. For the Northeast-Midwest region, whose cities are likely to contain greater proportions of illegal aliens, minorities, and the poor, the resolution of these issues is particularly critical.

Current estimates of the impact of the 1980 Census on congressional reapportionment reveal that with the exception of South Dakota, all of the states projected to lose congressional seats -- New York, Pennsylvania, Ohio, Indiana, Illinois, Massachusetts, Michigan, and New Jersey -- are in the Northeast-Midwest region. For some states, such as New York, the exact number of seats lost will be determined by an adjustment for the undercount. All of the gains will occur outside of the region, with Florida gaining four seats, Texas three, and California two. The delegations of Utah, Oregon, Tennessee, Washington, Nevada, Colorado, New Mexico, and Arizona each will gain one seat. Overall, as a result of reapportionment the Northeast-Midwest region, which held 213 seats in the House of Representatives in the 96th Congress, probably will see its political strength slip to 196.

The fiscal consequences of the 1980 Census that result from the declining growth rate of the Northeast-Midwest region are not possible to calculate with any certainty because of the intricacy of the formula mechanisms which include population as a component. For instance, two of the major federal housing and community development programs allocate funds according to how much a community's population has declined relative to national growth rates. Nonetheless, Boston estimates it will lose $400,000 in federal funding for every one percentage point the city's population declined in the last decade. Thus there is no doubt that the 1980 Census will result in fewer federal dollars going to the Northeast-Midwest region.

Still, as the debate over the 1980 Census continues it should be recognized that any adjustments to its enumerations will not undo the demographic patterns of the last decade. Tabulations of returns from Census Bureau field offices indicate that the Northeast and North Central regions have population counts even lower than originally estimated, while the South and West are exceeding earlier expectations. The political and economic impacts of these demographic changes will require increased attention by the nation's leaders in the coming decade.

III. INCOME

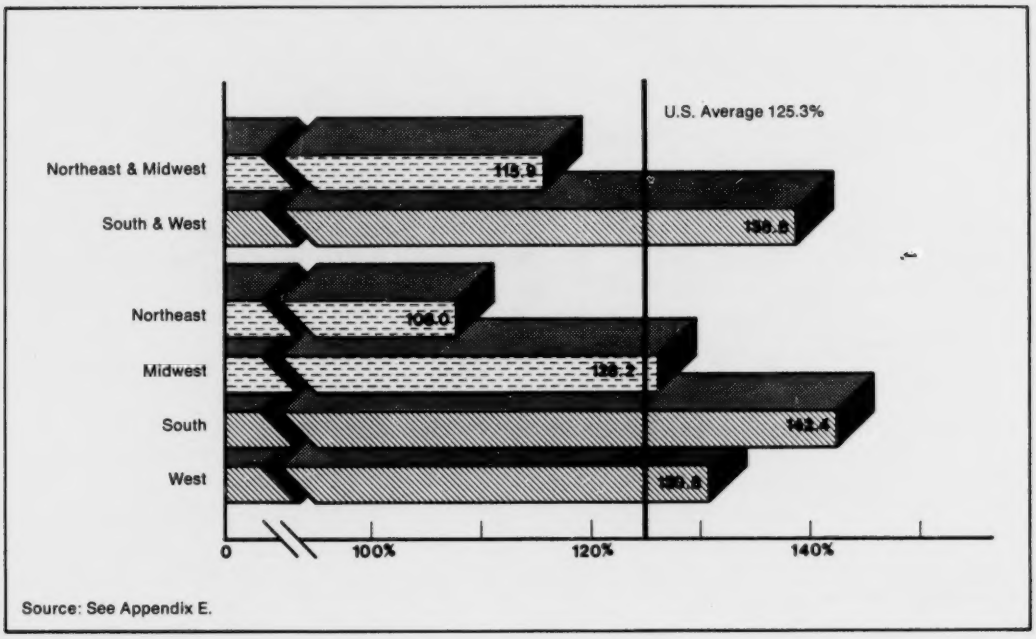
Improved living conditions -- or perceptions of improvement -- are leading motivations behind population migration. Higher nominal income, while still an important consideration, no longer provides a compelling reason to remain in the Northeast. Although in 1979 average per capita income in the Northeast and Midwest was slightly higher than in the South and West, the difference between regional per capita incomes (unadjusted for cost of living differences) has narrowed significantly since 1970. Ten years ago the difference was 16 percentage points: 108 percent of the national average in the Northeast-Midwest region and 92 percent in the South and West.[1] By 1979 the difference had narrowed to 5 percentage points: 103 percent for the Northeast and Midwest and 98 percent for the South and West (see Figure 4). The large percentage increases in income from 1970 to 1979 reflect the continued increase in per capita income growth nationally. Per capita income for all states has doubled, due in large part to inflation. However, those states showing the largest percentage increases all were located in the South and West (see Appendix E).

At the state level, individual states demonstrated widespread differences in per capita income growth. Of the 18 Northeast-Midwest states, 13 showed either no change or a decrease in per capita income as a percentage of the national average from 1970 to 1979. New York, for example, fell 14 percentage points -- from 118 percent to 104 percent of the national average. Per capita income in Connecticut and New Jersey also declined considerably, falling ten and nine percentage points. In the South and West, per capita income in all but three states either remained constant or increased as a percentage of the national figure. A particularly substantial gain was registered in Wyoming, which jumped from six points below the national average in 1970 to 13 points above it in 1979, a net growth of 19 percentage points. North Dakota experienced an increase of 15 percentage points. Per capita income in Texas grew by 10 percent and in Alaska by 9 percent.

Per Capita Income Projections

In the future, per capita income is expected to grow substantially across the nation. Forecasts by the Department of Commerce for the years 1978-2000 predict that per capita income will continue to grow more rapidly in the South and West. As Table 1 indicates, per capita income is projected to rise about 3.1 percent annually in the Northeast-Midwest region but by 3.9 percent annually in the South and West (based on 1972 dollars). The states with the largest projected average annual personal income growth rates -- all outside the region -- are Nevada, 5.3 percent; Utah, 4.6 percent; Alaska and Wyoming, 4.5 percent, and Colorado, Arizona, and Florida, 4.4 percent (see Appendix F). At the same time, the states with the smallest projected growth rates are located almost exclusively in the Northeast-Midwest region. Three states are expected to fall below the 3.3 percent projected growth rate for the nation as a whole: New York, at 2.1 percent; Massachusetts, at 2.6 percent, and Connecticut, at 2.8 percent.

FIGURE 4
PER CAPITA INCOME CHANGE, 1970-79



Source: See Appendix E.

The South and West are projected to experience rapid growth in personal income by the year 2000. This rise in part reflects significant increases in earnings in major industries such as energy, computers, and other high technology fields. Furthermore, the states in the South will have the most notable increases in percentage change from 1978 to 2000. The region as a whole can expect an 83.3 percent increase. From 1978 to 2000, per capita income will rise in West Virginia by 97.4 percent, in Mississippi by 95.9 percent, and in Kentucky by 95.6 percent.

Measuring Income

Per capita income is not a completely accurate indicator of regional economic health, although it is widely used for this purpose. In fact, for states in the Northeast and Midwest the economic problems may be severely understated by focusing on per capita income. First, per capita income can give a false signal of economic success because it does not take into consideration geographic variations in the cost of living. Therefore it cannot account for the varying standards of living provided by similar incomes in high- and low-cost areas. Second, per capita income fails to reflect the different regional effects of federal, state, and local taxation.

In addition, the current per capita income measure does not distinguish between sources of income. For instance, transfer payments currently are counted as income. This policy in effect penalizes local areas which make a greater effort to provide for their poor and unemployed.

TABLE 1

PER CAPITA INCOME PROJECTIONS, 1978-2000

Region	Average Annual Growth Rate	Total Percent Change 1978-2000
NORTHEAST	3.1	70.1
MIDWEST	3.1	72.0
NORTHEAST AND MIDWEST	3.1	70.9
SOUTH	3.8	83.3
WEST	3.9	70.0
SOUTH AND WEST	3.9	75.6
UNITED STATES	3.3	72.1

Source: See Appendix F.

A more accurate measure of the disparities between states can readily be devised by examining the differences between disposable income (per capita income minus federal, state, and local taxes) adjusted for transfer payments and cost of living. An analysis of 1975 per capita income figures, conducted by the Northeast-Midwest Institute in 1978, demonstrated the dramatic difference in per capita income that theoretically could result when these adjustments are made. Table 2 displays the relative ranking of the 50 states under both adjusted and unadjusted per capita income. After adjustment four of the five lowest per capita income states are in the Northeast-Midwest region. On the other hand, Texas jumps from 29th to sixth place and Wyoming from 14th to second; New Jersey falls from fifth to 20th place, and New York plunges from ninth to 39th. Overall, only three of the 15 Southern states and two of the 18 Western states are among the ten lowest per capita income states after these adjustments are made.

The methodological problems underlying the current measure of per capita income cannot be understated, particularly as statisticians present what appears to be a "narrowing" of the income gap between the regions. Without taking into account the manifold factors affecting per capita income, analysis of income trends may in fact skim over some serious differences between regional economies. Most pointedly for the Northeast-Midwest region, many areas which show a stable level of per capita income actually may be experiencing a real decline due to the skyrocketing cost of living.

TABLE 2

PER CAPITA INCOME RANK ADJUSTED AND UNADJUSTED

State	Rank	Unadjusted Per-Capita Income, 1975	Rank	Adjusted Per-Capita Income, 1975
United States		$5,903		$3,008
Alaska	1	9,535	1	4,569
Connecticut	2	6,965	11	3,493
Illinois	3	6,792	7	3,563
Delaware	4	6,745	3	3,834
New Jersey	5	6,716	20	3,162
Nevada	6	6,673	4	3,604
Hawaii	7	6,658	31	2,913
California	8	6,596	16	3,215
New York	9	6,564	39	2,756
Maryland	10	6,459	14	3,336
Washington	11	6,284	13	3,419
Michigan	12	6,169	21	3,137
Nebraska	13	6,106	5	3,585
Wyoming	14	6,079	2	3,886
Iowa	15	6,076	9	3,504
Massachusetts	16	6,066	48	2,395
Kansas	17	6,046	12	3,459
Colorado	18	5,998	8	3,536
Pennsylvania	19	5,941	29	2,952
Rhode Island	20	5,888	47	2,591
Ohio	21	5,832	17	3,209
Minnesota	22	5,817	28	2,959
Virginia	23	5,786	15	3,320
North Dakota	24	5,781	36	2,821
Oregon	25	5,752	25	3,038
Wisconsin	26	5,674	34	2,853
Indiana	27	5,656	23	3,070
Florida	28	5,640	24	3,044
Texas	29	5,635	6	3,568
Missouri	30	5,490	26	2,969
Montana	31	5,433	18	3,188
New Hampshire	32	5,375	45	2,653
Arizona	33	5,316	44	2,662
Oklahoma	34	5,259	22	3,124
Idaho	35	5,177	19	3,175
Georgia	36	5,072	27	2,965
Vermont	37	4,962	49	2,297
West Virginia	38	4,946	42	2,717
Utah	39	4,938	35	2,842
South Dakota	40	4,924	10	3,498
North Carolina	41	4,922	30	2,929
Tennessee	42	4,909	32	2,895
Louisiana	43	4,895	33	2,863
Kentucky	44	4,886	37	2,812
Maine	45	4,785	50	2,231
New Mexico	46	4,768	43	2,678
Alabama	47	4,648	41	2,728
Arkansas	48	4,617	38	2,757
South Carolina	49	4,615	40	2,739
Mississippi	50	4,079	46	2,600

Source: Northeast-Midwest Institute, Per Capita Income is Not a True Measure of Economic Health (Washington, D.C.: Northeast-Midwest Institute, January 1978) pp. 1-4.

IV. EMPLOYMENT AND UNEMPLOYMENT

A compelling indicator of economic malaise in the older, industrial belt is the region's declining share of the nation's new industry and jobs. Increasingly, the criterion for success in government policy has focused on the availability of basic employment. Employment and unemployment trends present telling evidence of long-term structural problems in the regional economy, decline in the manufacturing base, and rapid occupational shifts in the labor market.

Employment Trends

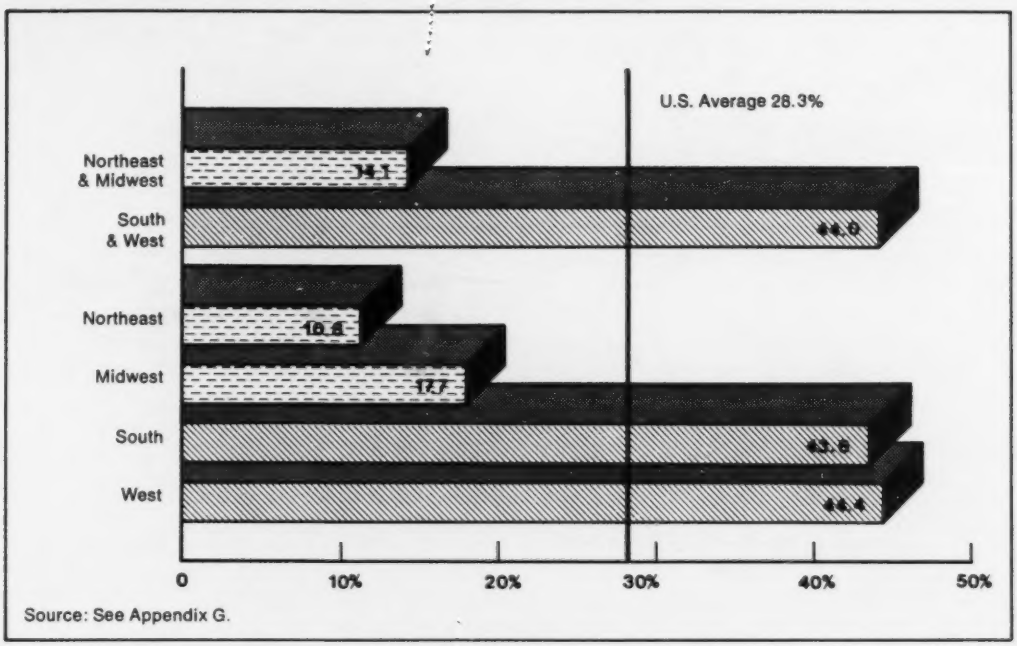
Low employment growth has been a consistent problem in Northeastern and Midwestern states. Between 1970 and 1980 (September figures), nonagricultural employment in the South and West grew at more than three times the rate of the Northeast-Midwest region, 44.0 percent compared to 14.1 percent (see Figure 5). This growth rate represents the development of 14 million new jobs in the South and West, while only 5 million new jobs appeared in the Northeast and Midwest. The growth lag in employment was even more severe in Northeastern states. Nonagricultural employment in this part of the region grew by only 10.8 percent (2.2 million jobs), compared to a 17.7 percent increase (3.0 million jobs) in the Midwest.

These same regional low growth trends are reflected at the state level. Between 1970 and 1980, all states in the West and South (excluding the District of Columbia) had employment growth rates of approximately 20 percent or greater. Eight states in the Northeast-Midwest region fell short of such rates and one of them, New York, actually registered an absolute decline in employment (500 jobs). The disparity in employment growth between regions has become so pronounced that for every nonagricultural job gained by the Northeast-Midwest region between 1970 and 1980, the South and West gained two. In 1970 more than half (52.2 percent) of all nonagricultural jobs were in the Northeast and Midwest, but by 1980 the scales had tipped and the majority now is located in the South and West (53.6 percent).

New jobs created in the South and West do not alone account for the uneven employment growth figures. The most recent data on migration of all workers covered by Social Security indicates there has been significant geographic movement. A study in the Survey of Current Business shows a continued pattern of work force migration from the Northeast-Midwest region to the South and West between 1970 and 1976. The Northeast and Midwest lost 650,000 workers to the South and West in those years. New York State alone lost 200,000 workers; Florida gained 200,000. Indiana and Ohio each lost approximately 75,000 workers; Texas meanwhile saw its work force grow by 82,000. Arizona and California each enjoyed net increases approaching 50,000.[1]

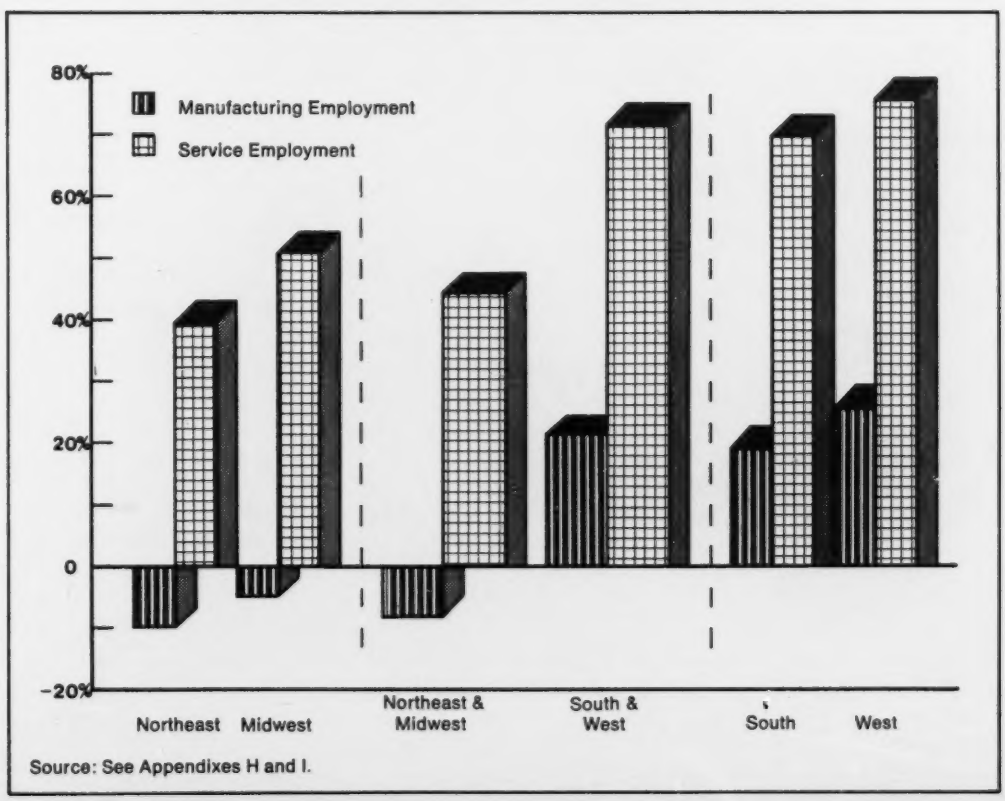
A major element in the degree and shape of total employment lies in decline in manufacturing employment, the economic backbone of the Northern industrial tier. Manufacturing employment in the United States showed

FIGURE 5
NONAGRICULTURAL EMPLOYMENT CHANGE, 1970-80



Source: See Appendix G.

FIGURE 6
CHANGE IN MANUFACTURING AND SERVICES EMPLOYMENT, 1970-80



Source: See Appendixes H and I.

minimal growth in the 1970s, increasing by only 832,000 jobs, or 4.3 percent, between 1970 and 1980. However, within the relatively stable national pattern, regional shifts have been enormous.

During this period, the Northeast-Midwest region lost over 870,000 manufacturing jobs, a drop-off of 7.6 percent. The Northeast sustained nearly 600,000 of these losses, and the Midwest 280,000 (see Figure 6). New York had a percentage loss of 17.0 percent, Pennsylvania 14.1 percent, and Maryland 13.2 percent. In contrast, the South and West combined gained over 1.7 million manufacturing jobs, a 21.8 percent increase in this ten-year period. California gained more than 444,000 jobs, Texas 304,000 and Florida 116,000. The regional disparity in employment growth is alarming: for every manufacturing job lost in the Northeast-Midwest region, the South and West gained nearly three (see Appendix H).

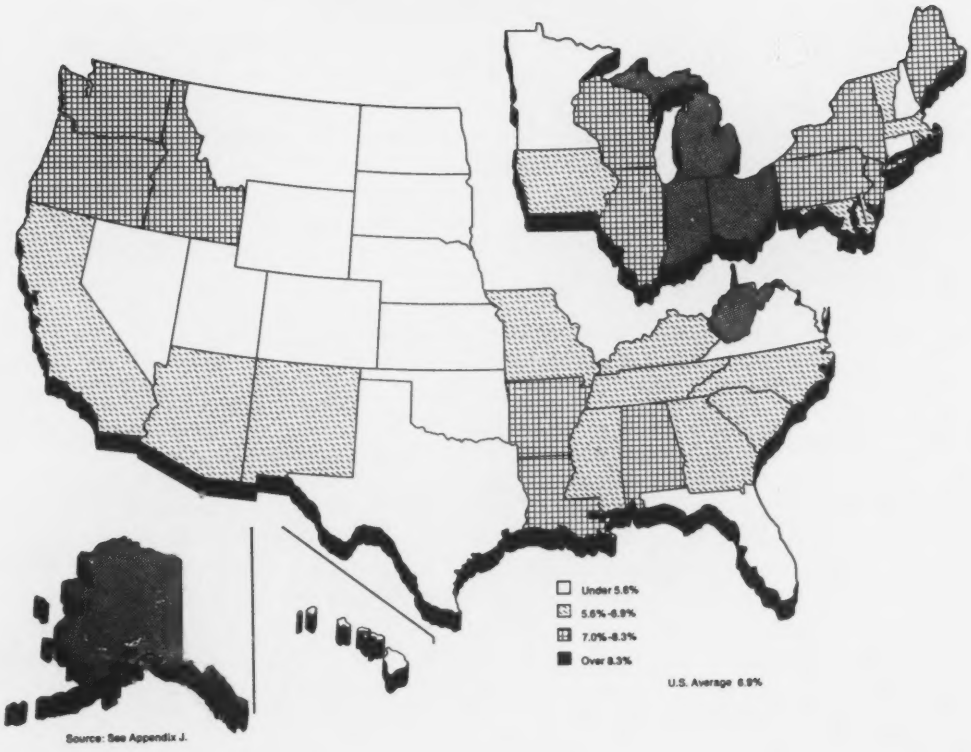
On a national scale, the "slack" created by low growth in manufacturing employment has been taken up by growth in the service sector. The provision of services has replaced manufacturing as the largest component of growth in employment and output. Yet growth in service jobs still depends ultimately on a solid manufacturing base. The U.S. Chamber of Commerce has found that every 100 new manufacturing jobs means 68 new non-manufacturing jobs for a community. Without growth in the manufacturing sector, the non-manufacturing sector will grow slowly, if at all. Apparently, because of the Northern states' loss of manufacturing jobs there has been relatively sluggish growth in the region's services employment. The South and West, with burgeoning populations and new industries, experienced a 72.4 percent growth in service employment, outpacing the 44.3 percent growth of the Northeast-Midwest region (see Figure 6). As a result, in the past ten years nearly 60 percent of the growth of the service sector occurred in the South and West.

Unemployment Trends

Unemployment, like employment, can be used as a measure of economic health or distress. Increased unemployment is being faced in almost every state in the nation. Nevertheless, the largest numbers of jobless continue to be concentrated in the Northeast and Midwest. Both the South and the West fall below the national unemployment rate of 6.9 percent with respective rates of 6.0 and 6.3 (see Appendix J), whereas unemployment has climbed to an average of 8.9 in the Midwest and 6.9 in the Northeast. As shown on Map 3, high rates of unemployment dominate the Northeast-Midwest region. The Bureau of Labor Statistics reports that of the 23 cities hit hardest by unemployment, 20 are located in the Northeast-Midwest region. For example, unemployment in Flint, Michigan, a home of the U.S. auto industry, has reached a staggering 23 percent.[2]

Recent recessions have heavily influenced the pattern of job losses. A 1980 study by the Department of Commerce found that Northeastern and Midwestern states are more sensitive to changes in the business cycle.[3] This factor stems from the region's dependence on the manufacturing sector, and the extreme cyclical sensitivity of the manufacturing sector to changes in the economy. As citizens in Detroit have found, "When the economy catches cold, Detroit catches pneumonia." Businesses, feeling the pinch of recessions, close plants or cut back their labor forces. The Joint Economic Committee of Congress has noted that the Northeast and Midwest contain the

MAP 3
UNEMPLOYMENT, 1980



oldest, least efficient manufacturing facilities, which are more likely to be closed as production is reduced.[4] The region houses the nation's most severely troubled industries, namely autos, tires, steel, and textiles. In 1978, over 4,000 steel workers were laid off permanently when the Youngstown Sheet and Tube Company in Youngstown, Ohio, was closed.[5] The National Association of Homebuilders estimates that across the nation, nearly 1.6 million people became unemployed as a result of the decline in housing starts between 1978 and 1980; more than half of the job losses were in the Northeast and Midwest (see Appendix K).

In retrospect, it is clear that the region was seriously affected by the 1974 recession. As one analyst wrote:

> Indeed, one could make a case, taking only slight license, that the recessions of the 1970s were largely confined to the New England, Midwest, and Great Lakes states. Between September 1974, and June 1975, for example, when national total nonagricultural employment declined by 2.5 percent, employment in the Southwest and Rocky Mountain states actually grew, and in the Far West the decline was negligible.

> In the initial stage of the recovery, employment grew by 5.16 percent for the nation. However, employment continued to decline in the Mideast states and grew by less than 1 percent in New England.[6]

Further analysis of employment growth around the time of the 1974 recession reveals that between 1970 and 1975 the Northeast-Midwest region's 3.1 percent employment growth occurred only because public-sector employment grew by 11.1 percent. Private-sector employment actually fell during this period by 0.7 percent, amounting to a loss of 200,000 jobs.[7]

A relatively diversified manufacturing base makes the New England subregion less susceptible to an economic slowdown, as evidenced by the passage quoted above. Indeed, developing a balanced diversity of industry seems the best strategy for recession-proofing regional economies. As the British journal The Economist states, "energy-intensive heavy industry has never been attracted to New England; and that is the particular reason why the present recession, which is tied closely to car and steel production, has bypassed the region."[8]

Additional Implications of Unemployment

Not all labor force problems are reflected in unemployment statistics. Underemployment, for example, continues to be a pervasive problem throughout the nation. These signs of economic ill-health include:

- o underemployed workers who have jobs but do not earn enough money for a decent standard of living;
- o overqualified workers who have more education or training than their job requires; and
- o discouraged individuals who have dropped out of the job market entirely.

As the number of plant closings and layoffs rise, so too do related social and underemployment problems. A study by Louis Ferman of the University of Michigan of 21 plant closures dating back to 1929 indicated that over one-third of the employees thrown out of work never recovered their former economic status.[9] In 1977, the National Institute for Occupational Safety and Health (NIOSH) studied 100 workers terminated following plant shutdowns. It found that the suicide rate among such terminated workers was 30 times the national average, and that a wide variety of physical health problems cropped up at higher rates than among other, similar workers.[10]

In addition to the related social problems of unemployment, the current methods of financing the unemployment insurance system place a formidable fiscal burden on states whose economies fail to bounce back from a recession. Beginning in 1979, states with insolvent unemployment programs were forced to borrow funds from the Federal Unemployment Account (FUA) to pay insurance benefits. High unemployment rates also put an added burden on states where state income taxes provide the bulk of revenues. While sales taxes are regressive and lack the "automatic stabilizer" effect of income taxes in a fluctuating state economy, they do provide a more stable revenue base. In the event of a sustained mild recession or a deep recession, states

with relatively high sales taxes will be better prepared to meet the costs of increased demands for social services. Sales tax revenue still will decline, but at a much slower rate.

Future Job Growth

Using data from Chase Econometrics, Inc., Money magazine in 1978 projected overall employment growth in selected cities for 1977 to 1985. In light of employment and unemployment problems in the Northeast and Midwest, the results of that study are not surprising: the ten cities with the highest projected job growth all are in the South or West, while those with the slowest projected growth all are aging cities in the Northeast- Midwest region, as shown on Map 4.[11]

However, in examining predicted high-growth industries it should be noted that significant potential exists for progress in the Northeast and Midwest. Many of the high-growth industries -- computers, biotechnology, electronic engineering, digital equipment, and precision instruments -- all of which rely on highly skilled labor, are well-represented in the Northeast and Midwest. Explicit public policies encouraging the development of these industries will play an increasingly crucial role in the region's employment outlook in coming years.

MAP 4
PROJECTED JOB GROWTH CITIES, 1977-85

Source: Joseph S. Coyle, "Job Meccas for the '80s," Money, May 1978, p. 42-47.

V. BUSINESS BEHAVIOR AND ECONOMIC TRENDS

The striking and complex changes which now confront the Northeast-Midwest economy have evolved in part from changing attitudes in the private sector toward the region and the snowballing effects of those attitudes. Perceiving economic decline in the Frostbelt, business leaders turn more frequently to the South and West to transact business. Beside possessing warmer climates, the South and West are promoted as offering a number of intangible benefits such as "improved quality of life" and a "better business climate." Once perceptions like these are established, the forecast of economic decline becomes a self-fulfilling prophecy. Investment begins to shift away from the Northeast and Midwest, unemployment in the region rises, people leave job-poor areas, tax bases shrink, local tax rates swell, and remaining businesses begin to look for areas with a better "business climate."

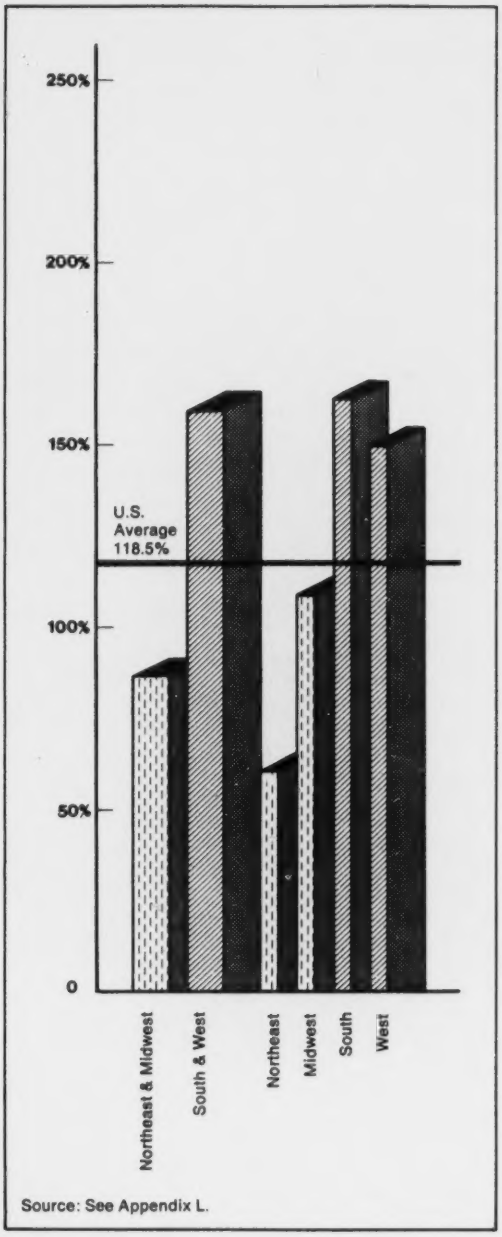
In general, the attitudes of the business community are difficult to aggregate into a whole. However, the South and West undoubtedly enjoy their current "popularity" in business circles for a number of reasons. The regions' officials have a reputation for being less restrictive of business activity and are offering attractive incentives to new businesses. The impression that the Sunbelt lacks a number of the social problems of the Northeast and Midwest also is appealing to new businesses. In contrast, the Frostbelt, which developed far more rapidly than the Sunbelt, is experiencing the problems of aging -- obsolete and less productive factories, aging public infrastructure systems, etc. These factors combine to give the two regions very different business "environments."

Investment Patterns

The uneven geographic development of U.S. industry over time has created a widely varying set of investment needs. The aging capital plants of the Northeast and Midwest no longer are as competitive due to outmoded production methods and facilities. Furthermore, the public infrastructure -- bridges, roads, water and sewer systems, waste disposal, etc. -- of many Northern cities is antiquated and often in poor condition. These factors jeopardize the region's ability to attract new investment. Although the region pioneered the nation's industrial development, it seems now to be at a competitive disadvantage. Modernization of industrial plants and public facilities, whether conducted by the private or public sectors, would require a monumental financing effort. It is estimated that New York City alone will require almost $40 billion over the next ten years to rebuild its physical plant. The repair bill for Cleveland's roads, bridges, and water systems could run as high as $740 million.[1]

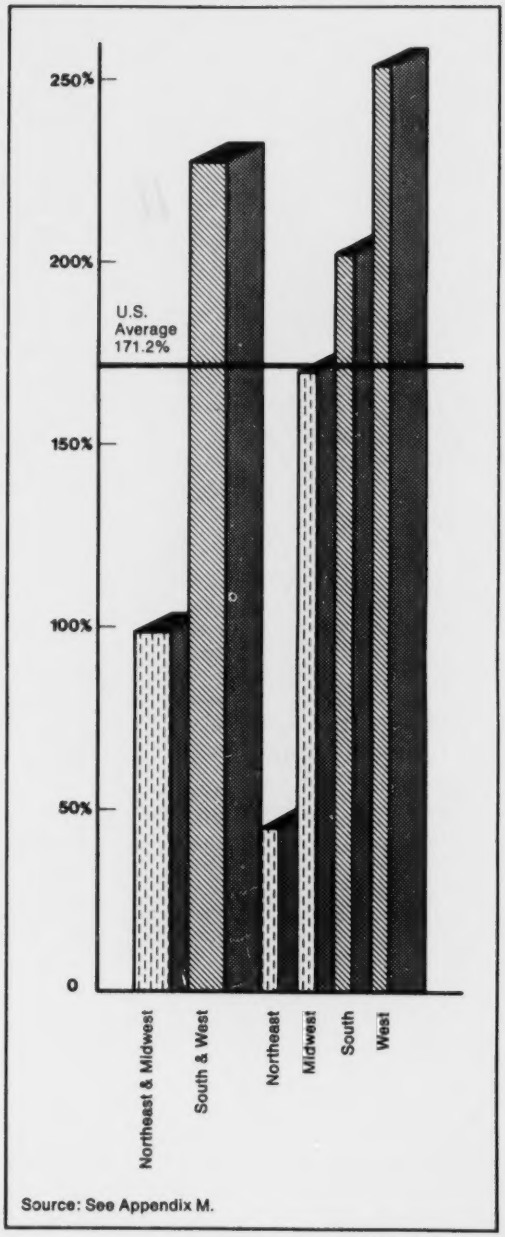
Between 1970 and 1977, investment in new capital equipment increased 118.5 percent nationwide. However, during this period the Northeast and Midwest states managed only an 86.9 percent average increase (see Figure 7). In contrast, the average gain in the South and West was double this figure, 158.9 percent. Roughly four-fifths of the Sunbelt states enjoyed increases of more than 100 percent. New Mexico and Wyoming, essentially without new

FIGURE 7
GROWTH IN INVESTMENT: NEW CAPITAL EQUIPMENT, 1970-77



Source: See Appendix L.

FIGURE 8
GROWTH IN INVESTMENT: NONRESIDENTIAL STRUCTURES, 1970-79



Source: See Appendix M.

capital equipment in 1970, catapulted 726.2 percent and 1000.0 percent (although their comparatively small absolute size diminishes the net impact of such an indicator). Louisiana, with new investment of $2 billion in 1977, enjoyed a 338 percent increase between 1970 and 1977. A substantial turnaround in regional investment patterns took place during this seven-year period. In 1970 the Northeast-Midwest region was the nation's leader in investment in new capital equipment, but by 1977 the South and West had become the leaders.

Business investment in nonresidential structures from 1970 to 1979 also underwent pronounced changes. In 1970, investment for the four regions of the nation was roughly equal, with the difference between the highest area of investment, the South -- and the lowest -- the Midwest -- being $1.1 billion. By 1978, however, the difference between the highest area of investment -- now the West -- and the lowest -- the Northeast -- skyrocketed to $7.8 billion. Comparing these changes to the overall national average of 171.2 percent, we see that (as shown in Figure 8) the South and West had healthy increases of 202.7 and 253.4 percent, while the figure for the Midwest was 170 percent and the Northeast had a paltry 44.2 percent (see Appendix M). Three states in the Northeast -- Massachusetts, Rhode Island, and Vermont -- suffered absolute declines in nonresidential structures investment.

Federal tax policy also plays a pivotal role in determining investment patterns across the nation. For example, the combination of the investment tax credit for equipment and machinery and accelerated depreciation allowances rewards firms for building new facilities rather than reinvesting and renewing existing structures. Thus, tax policies favoring new investment over reinvestment in existing structures act as an incentive for businesses to leave the older cities of the Northeast-Midwest region for the newly developing South and West.

Firm Migration, Births, and Deaths

Observers of economic decline in the Northeast and Midwest often point to a phenomenon labelled "corporate flight" -- factories closing in the North and moving to the South -- as a main component of the region's economic downturn. The supposed rationale behind plant relocations is to avoid the high taxes, high labor costs, and strong unions of the Northeast and Midwest. Recent studies, however, indicate that the physical relocation of firms is a relatively minor factor in the context of the region's overall economic problems. David L. Birch, in his recent study The Job Generation Process, compared listings of over 5.6 million business establishments compiled by Dun and Bradstreet, a credit rating agency, and found that "virtually no firms migrate from one area to another in the sense of hiring a moving van and relocating their operations."[2] Birch contends that the often-cited move of the textile and shoe industries from New England to the South represented a rare fluke of the 1950s, and is not an example of a significant process today. In addition, Birch found that the rate of job loss (firm deaths plus contractions) is about the same everywhere and is quite high -- 8 percent per year.[3]

A study by Carol Jusenius and Larry Ledebur of the Economic Development Administration (EDA) confirmed Birch's findings. Their report concluded that although there was a net out-migration of firms from the Northeast-Midwest

region and a net in-migration of firms to the South, these occurrences were relatively small in percentage terms.[4] However, the level of job replacement (the number of new jobs created to replace jobs lost through business shutdowns and contractions) was a source of significant regional differences. Barry Bluestone of Boston College and Bennett Harrison of the Massachusetts Institute of Technology estimate that between 1969 and 1976 at least 15 million jobs were lost across the country as a result of plant shutdowns. Yet the key regional difference during that period was the rate of job replacement: the Northeast-Midwest states lost 111 jobs through plant closings for every 100 new jobs created, while the South and West laid off an average of 80 workers for every 100 new jobs created.[5] This disparity in job replacement was delineated further between firm births and expansions by Jusenius and Ledebur, who note of the period 1969-1974:

> . . . compared with the North, net expansion in existing firms was more important to the South's growth than employment growth due to new firms. The percent of employment gains in the South attributable to new firms was twice that of the North, but the percent of employment gains due to net expansion of firms was three times that of the North.[6]

"Business Climate"

Businesses base their location decisions -- where to move or expand existing plants, where to initiate new ventures -- on an array of considerations, both economic and personal. Studies by Runzheimer and Company, corporate relocation consultants and authorities on comparative living costs, indicate that Southern cities attract businesses partly because they offer less expensive living for corporate executives -- especially in such crucial areas as housing, taxes, and transportation.[7] These traits are important to smooth business operations because they help keep workers satisfied and help groom future executives. Thus, sites must offer a desirable balance of costs and extras for both cost-effectiveness and employee satisfaction. Research of business opinions by the Joint Economic Committee of Congress has found that "Tax rates, business costs and labor factors, in general, are not viewed as important as the quality of life characteristics."[8]

An attempt to evaluate the wide range of business location factors also was undertaken by the Fantus Company, a location consultant firm, and the Conference of State Manufacturers Association, which assembled publicized profiles of state business climates using such factors as:

- o state and local taxes
- o government spending
  - -- welfare costs and trends
  - -- state spending per capita
  - -- state indebtedness
- o government "cooperation"
- o labor-related laws
  - -- right-to-work laws
  - -- worker compensation costs
  - -- unemployment compensation
  - -- maximum disability payment
- o labor characteristics
  - -- labor union membership
  - -- average wages for industry
  - -- area labor skills
  - -- strike potential
- o unemployment
- o energy costs (per million BTUs)
- o pollution regulations

To apply this list of traits in analyzing the location decisions of firms is to presume that factors determining profit potential are consistent between different industries. However, recent findings have shown that location decisions are highly idiosyncratic, due to the uniqueness of needs and values in each firm. For example, Roger Schmenner of the Harvard Business School found that less than half the companies considering expansion or opening new sites consult outside their firm for independent advice.[9] Moreover, he says, "Few sites are considered (2-4) and only between 50 percent-60 percent of the companies surveyed cost out the sites."[10] Schmenner found that strategic factors are more heavily weighted than local cost-related factors supposedly measured in business climate studies.

The Sunbelt undoubtedly enjoys an enviable reputation in business circles as being better suited to business needs than the Frostbelt. But perhaps more important than the pleasant lifestyle afforded by the "fun and sun" states is the attitude of local officials toward economic development. The South and West work hard to attract prospective newcomers to the business community. Until recently, the Northeast and Midwest appeared to shun such an aggressive stance. James Steed, assistant director of the Industrial Division of the Georgia Department of Industry and Trade, claims that "The Sunbelt is not sunshine. It's an attitute . . . conducive to business. The North has lost that attitude."[11] Georgia, for instance, gives all-expense-paid "red carpet tours" to lure potential customers from the North. It also maintains commerce offices abroad to "sell" the virtues of the state as a home for business. Similar tactics have led to such phenomena as the "international selling of South Carolina," which boasts the nation's highest level of foreign investment. The Northeast quite recently decided to follow a similar approach, and led by the Northeast Association of Commerce Commissioners has launched an ad campaign to sell "The Great Northeast." The campaign, interestingly enough, is directed abroad to European manufacturers, not to the South.[12]

The attitude of Southern officials translates into more tangible inducements for business as well. Government-subsidized interest rates for new industries, tax breaks, and union free labor markets seem to favor a high rate of business growth. Such policies, however, have their minuses as well as their pluses. The level of state and local taxes, it can be argued, is unimportant as a location determinant since such taxes are deductible from federal taxable income. In fact, there is no evidence that tax concessions have any significant impact on local growth rates.[13] Tax incentives also are costly to the state, since they reduce the amount of state revenue earned and may end up attracting a number of firms who will require continual state subsidies to remain solvent.

David Birch contends that "shotgun-like" policies, such as tax incentives and public works programs, are cosmetic or superficial strategies, and are not based on insight into business dynamics. He claims we know very little about who generates jobs, where they generate them, who controls those jobs, and who is most likely to respond to economic development incentives.

> In the absence of such knowledge, our approach has usually been to stimulate whole economies with such shotgun-like policies as tax incentives and easy access to money and public works programs. This can be a very expensive and inflationary strategy if, in fact, most of the recipients do not use the

> incentives to increase employment and/or productivity. What we need, and have lacked, is the ability to target our incentives to those who can make good use of them without wasting taxpayers monies on those who cannot.[14]

Birch believes it makes little sense to try to influence where firms move (in the physical sense) or to influence the rate at which firms contract or go out of business. Rather, public policy might be most successful if it concentrated on trying to affect where new firms locate and where existing firms choose to expand. Regardless, it seems apparent that much more study is needed to help state and local governments develop the most effective link between business activity and local economic development.

Controversial right-to-work laws, which characterize open labor markets, also are cited by some as a major factor attracting new business. Others however, label them inconsequential, if not actually harmful to the business community. Although these laws, which prohibit requiring union membership as a condition of employment, predominate in the South and West, there is no proof they have had any significant impact on the growth of the region. Some observers believe that since right-to-work laws lower the rate of unionization, labor in these states is both cheaper and more trouble-free. However, a number of studies, including those by F. Ray Marshall (Labor in the South) and Keith Lumsden and Craig Peterson, concluded that no advantage has been gained by passing such laws for the express purpose of new business development. In fact, Northeastern and Midwestern states, should they pass such laws, might simply drive a further wedge between business and labor, creating problems rather than solving them.

The availability of a high quality labor pool, another factor comprising "business climate," was long thought to be an attribute of the Frostbelt alone, primarily due to the abundance of universities and technological institutes in the Northeast-Midwest region which traditionally have produced better trained and educated workers. However, consistent efforts by Southern and Western leaders have improved their regions' labor forces substantially. Perhaps most important, the difficult link between higher education and manpower development programs on the one hand and economic development initiatives on the other has been forged solidly in the South and West. Recruitment and manpower training programs are used readily to draw prospective businesses to the area. Georgia, for example, set up technical training centers to train workers for specific industries that plan to locate in the state.

Unemployment insurance has been an especially difficult problem for Northeast-Midwest state governments and the region's businesses because the program was not designed to handle the long-term structural unemployment that stems from unshakable economic distress. Fund balances are not being replenished because some states are in a perpetual economic downswing, with no recovery in sight. During the 1974-75 recession, 14 of the 18 states in the Northeast-Midwest region were forced to borrow money from the federal unemployment insurance account to avoid raising already high unemployment insurance taxes. Of the $5 billion advanced to states from the federal government's account, 90 percent went to the Northeast-Midwest region. Unemployment payroll tax rates as a percent of both taxable and total wages were higher in the region than in the South and West in 1976-78, the most

recent period for which statistics are available (see Appendix N). As unemployment in the region continues to rise, added burdens will be placed on the region's businesses and local governments.

Finally, land use conflicts occur more frequently in older, more developed states. This factor tends to make the Northeast-Midwest region less flexible and thus less able to promote new growth. Traditional locational advantages that formerly distinguished areas of the country have disappeared in many industries. The interstate highway system, new shipping methods, and advances in communication technology have made previously isolated regions directly competitive for business. Lower land prices in many of these areas make them even more attractive for business investment.

Prospects for the Future

Any recovery attempted by the Northeast-Midwest region may be tempered by a future recession or the continuance of the present one. The region has felt the full effects of the 1974-75 recession, the impact of which was minimal in the South and West and almost nonexistent in the Pacific states. Therefore, the combined effects of the recession and the declining rate of growth in the Northeast and Midwest give cause for concern over future growth and development in the region. The relatively slow national growth forecast for the next decade also is likely to have a more severe impact on the older industrial areas of the nation.

Yet it should be recognized that the Northeast-Midwest region has attributes of its own which cannot be overlooked. Its population generally remains better educated and trained because of the abundance of universities and technological institutions. David Mathews, chairman of the Commission on the Future of the South, notes that, "The South still has a long way to go in education. We are net importers of talent in advanced degree education."[15] These educational assets, now being supplemented by manpower training programs, will continue to be important. The region also offers the greatest variety of cultural activities -- an attribute still critical to top-notch business executives making location decisions for their firms.

Over time, the perceived advantages of the South and West may well lose their luster. The task of accomodating migrating populations could foster problems similar to those of the Frostbelt: residential sprawl, decaying facilities, and unresponsive local authorities. Short-term tax incentives may lose their appeal as local finances run out. As David Curtis of Kenyon Industries remarked after moving a textile plant from Rosseville, Georgia, to Rhode Island:

> Some textile plants that went South will be coming back to the Northeast, now that all their [Southern] tax-free lures and other free-load inducements have faded away -- leaving the thing hanging on worker skills, or the lack of them.[16]

In the future, more firms will bring broader considerations into play than whether a state or local government is pro- or anti-business. As Northern officials become more knowledgeable about how businesses make location decisions and which businesses generate jobs, appropriate state and

regional economic development policies will emerge to enable firms to make objective location decisions that unite public and private interests.

Even today, a number of encouraging signs point to a business upswing in the region. Tourism, conventions, and office construction are helping to rebuild a number of cities. Two new hotels now are open in Philadelphia; 6,000 new rooms costing nearly half a billion dollars are being added in New York City. In the Minneapolis-St. Paul area, new construction to the tune of nearly one billion dollars has begun, including a 65,000-seat domed statium. Baltimore has begun reaping the benefits of Harborplace, a recently completed waterfront development with over 140 restaurants and shops.

As the region adjusts to changes in its industrial base, new business activity also is looking brighter. New England is fast becoming a center of high technology and has attracted numerous electronics and computer firms. Alexander Ganz, research director for the Boston Redevelopment Authority, exults that, "The conversion of our economic base from predominantly heavy manufacturing to high technology and a broad range of services is now beginning to pay off."[17] United Technologies Corporation of Hartford, Connecticut, a high-technology and computer firm, reports a backlog of $12 billion dollars worth of orders.

The future could well bring a new era of growth for the Northeast-Midwest region. Economic development strategies to rebuild the region are showing measurable results. Both businesses and local governments are learning how to more effectively manage an older, more developed economy. The dramatic growth of the Sunbelt may in fact be overstated. As Donald Tofias, an industrial realtor in Boston, observes, "Measured in percentages, the South's gain looks great, but measured in square feet of new space, the Northern regions are growing, too. We are replacing old buildings with modern one-story warehouses, factories, and other facilities."[18] In the near future the Sunbelt inevitably will encounter many of the economic problems now facing the Northeast-Midwest region. The test for the nation as a whole will be whether we can avoid continual upheavals among regional economies, and instead develop a more balanced approach to national economic growth.

VI. ENERGY

Rising costs and diminishing supplies of energy have altered dramatically both the national and international economic balance. This shift has produced widely varying domestic energy conditions. Previous differences among the states in energy production, consumption, and pricing have become more pronounced. Energy has become an important consideration in the design and location of homes and businesses. The older industrial states of the Northeast and Midwest, which consume large amounts of energy compared to the South and West but possess limited production resources, are increasingly vulnerable to rapid changes in energy price and supply.

Production

The surging costs of energy, and in particular "price warfare" by OPEC nations, have created critical distinctions between energy producers and consumers. Domestic energy production -- specifically of oil, coal, and natural gas -- varies markedly between individual states. For example, Texas, Louisiana, and Alaska combined produce 65 percent of the nation's crude oil and natural gas liquids.[1] A study by Chase Econometrics reported in the National Journal found that only 12 of the 50 states were roughly energy self-sufficient -- that is, their state domestic production exceeded consumption. All of these states were located in the South and West.[2] This growing disparity between the energy "haves" and "have-nots" is demonstrated in the state energy production-to-consumption ratios shown in Table 3. Louisiana and Wyoming, with respective ratios of 406 and 405, dwarf such states as Rhode Island and New Jersey, which have relative ratings of 0 and 2.

Because of the distribution of natural resources, only a small number of states account for almost all types of domestic energy production. In the first six months of 1979, ten states produced 84 percent of all domestic coal. This includes four states in the Northeast-Midwest region: Pennsylvania (11.5 percent), Illinois (8.0 percent), Ohio (5.9 percent) and Indiana (3.7 percent). The top ten oil-producing states generate 92 percent of all U.S. oil; none is in the Northeast or Midwest.[3] As prices for energy continue to rise -- particularly for oil, gas, and coal -- the domestic economy will become even more unbalanced and generate greater divisiveness.

This imbalance has prompted leaders in the Northeast-Midwest region to begin exploring its potential for utilizing renewable energy sources like wood and water. The use of these forms of so-called "indigenous" resources has begun to make a difference in the region's energy picture. Wind, biomass, and solar energy also are being developed. It is estimated that as much as 4 percent of New England's energy needs now are met by wood, saving between 21 and 24 million barrels of oil per year.[4] Hydroelectric development at small dams also is slowly increasing, and the number of pending federal permits for hydroelectric sites is rising rapidly. The region is becoming a leader in using nuclear power for electric generation. In 1978, 12 percent of all U.S. electricity nationwide was generated by

TABLE 3
ENERGY HAVES VS. HAVE-NOTS

Energy Production as a Percent of Energy Consumption, 1976

More than 100%

Alaska	Louisiana	Texas
Kansas	Montana	West Virginia
Kentucky	New Mexico	Wyoming
	North Dakota	

51-100%

Alabama	Mississippi	Utah
California	Pennsylvania	Virginia
Colorado		Washington

0-50%

Arizona	Iowa	New York
Arkansas	Maine	North Carolina
Connecticut	Maryland	Ohio
Delaware	Massachusetts	Oklahoma
District of Columbia	Michigan	Oregon
Florida	Minnesota	Rhode Island
Georgia	Missouri	South Carolina
Hawaii	Nebraska	South Dakota
Idaho	Nevada	Tennessee
Illinois	New Hampshire	Vermont
Indiana	New Jersey	Wisconsin

Source: Richard Corrigan, and Rochelle L. Stanfield "Rising Energy Prices - What's Good For Some States Is Bad for Others" National Journal, No. 2, March 22, 1980 p. 468.

nuclear energy, yet the figure for New England was over 34 percent . Only eight years earlier, nuclear energy accounted for 7.6 percent of New England's electricity generation.[5] However, before increased nuclear energy use is promoted, manifold health and safety factors as well as nuclear waste disposal problems must be addressed.

Consumption

The Northeast-Midwest region, with its generally long winters and cold temperatures compounded by a preponderance of older, less fuel-efficient facilities, is a high consumer of energy. States in the region on average consume more energy than their Southern and Western counterparts, particularly in the residential and commercial sectors. Table 4 below displays average state level consumption (not per capita) for each sector. Not surprisingly, the industrial states of New York, Illinois, and Ohio are large consumers of energy (see Appendix O). The figures for the South appear particularly high due to high consumption levels for the state of Texas.

TABLE 4

AVERAGE STATE ENERGY CONSUMPTION BY SECTOR, 1978

(in trillions of BTU's)

	Residential	Commercial	Industrial	Transportation	Total Energy Consumed
Northeast	337.8	289.7	389.6	340.3	1,357.4
Midwest	612.2	408.3	1,004.4	564.7	2,593.6
Northeast-Midwest	446.1	335.8	628.7	427.6	1,838.1
South	326.6	235.2	796.9	486.9	1,845.6
West	189.2	166.0	296.6	312.6	964.4
South and West	251.7	197.4	524.0	391.8	1,364.9
U.S. Average	320.3	246.2	563.5	404.4	1,534.4

Source: Appendix O

Consumption differs among the 50 states not only in the amount of energy consumed, but also the type. For instance, the Northeast-Midwest region's energy mix is dominated by oil, primarily imported (which is higher priced). In New England, oil represents 79 percent of all energy used, compared to a national average of 49 percent. Moreover, 87 percent of this oil is imported -- almost double the national average of 44 percent.[6] The use of fuel oil to heat residential homes is especially prevalent in the Northeast and Midwest. Of the 16 million households heated by fuel oil nationwide, 12 million are in the Northeast-Midwest region, compared with one million in the West and three million in the South.[7] The dependence of the region on one source of energy is dangerous even under the best of circumstances. In the event of another oil embargo, the region would be particularly vulnerable because it has no strategic petroleum storage sites.

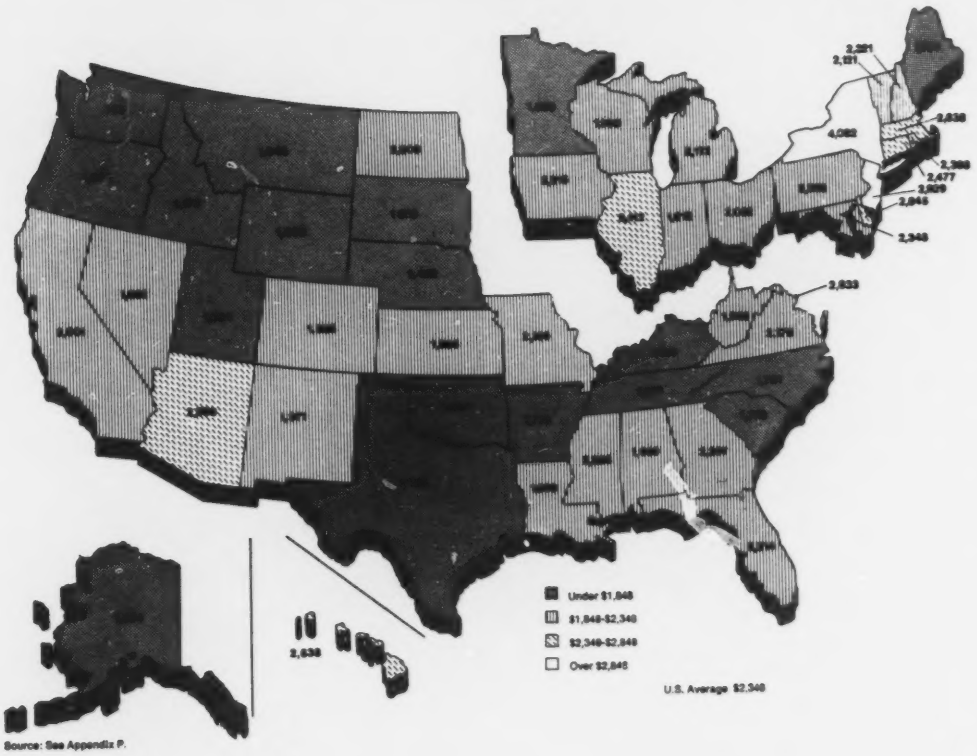
Along with efforts to diversify the region's energy base and promote the production and use of alternative sources of fuel, there has been a movement towards greater conservation of energy. The Harvard Business School estimates that total U.S. energy consumption could be reduced 30 to 40 percent through conservation.[8] Rigorous conservation methods have particular potential for great energy savings in the region, and such efforts are beginning to pay off. Many utilities have found it more cost effective to defer power plant expansion in favor of implementing conservation plans. The Department of Energy recently reduced substantially its estimates for future energy demand in the U.S. due to unexpected gains in conservation. Predictions that energy demand would grow by 2.5 percent annually through 1990 have now been revised to 1 percent.[9] In 1980, the United States consumed the energy equivalent of 38.3 million barrels of oil daily, against 39 million in 1979.[10] Economic realities will expand the search for innovative energy sources and conservation methods throughout the 1980s, particularly in the nation's older urban areas. As Kevin McCarty of the National League of Cities explains, "It's not a question of whether these efforts will make a large dent in the aggregate figures of energy consumption. For these cities, it is the only alternative for survival."[11]

Pricing

The prices paid by energy users tend to vary according to the extraction, processing, and refining costs of the particular type of energy and related transportation fees. The 1973 oil embargo, the 1974 deregulation of natural gas, and the 1979 deregulation of domestic oil all have contributed to the mercurial rise in energy prices. This explosion has widened the gap between the price states in the Northeast and Midwest pay for energy and that paid by their counterparts in the South and West.

Although the mechanisms to provide comprehensive and complete state level price data still are in the developmental stages, many sources indicate a substantial gap in energy price differentials for both businesses and homeowners. The Department of Energy reports that the typical monthly electric bill for industries using from 300 to 60,000 kilowatt hours of service was as high as $2,381 in the Northeast-Midwest region, compared to an average of $1,802 in the South and West. These 1976 figures represent a 95 percent increase for states in the Northeast and Midwest since 1970, but only a 76 percent rise for Southern and Western states (see Appendix P). Map 5 demonstrates the wide variation in state energy bills.

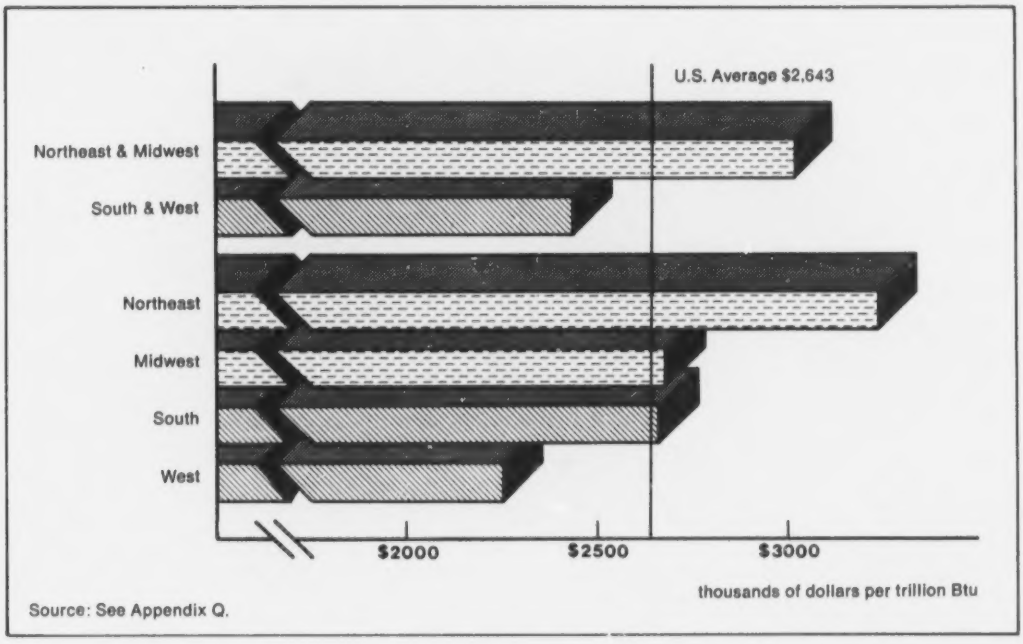
MAP 5
TYPICAL INDUSTRIAL ELECTRIC BILLS, 1976



Fuel costs (including distillate and residual fuel oils) for manufacturing firms are higher in the Northeast-Midwest region than anywhere else in the nation (see Figure 9). A survey of manufacturing firms by the Census of Manufactures found that costs for fuels and electric energy were above the national average throughout the region, particularly in the Northeast. These rising costs for businesses are placing greater burdens on a financially strapped regional economy.

Natural gas prices also are higher for every sector -- residential, commercial, and industrial. In 1978, the average price for natural gas in the U.S. was $2.21/thousand cubic feet. States in the Northeast-Midwest region paid an average of $2.72, while Southern states paid $2.06 and Western states only $1.82 (see Appendix R). Because it is at the end of the pipeline for natural gas, the region consistently has paid higher prices for this energy resource. Just eight years ago, the region paid half the 1978 price -- an average of $1.08/thousand cubic feet, compared to the $.68 paid by the South and West. The price differential between the regions has remained fairly consistent during this period.

FIGURE 9
COST OF FUELS AND ELECTRIC ENERGY FOR MANUFACTURING, 1977



The costs of residential energy represent a particularly serious problem for citizens in Northeastern and Midwestern states. The escalating cost of home heating, especially for residences using oil, has made low income individuals the prime victims of the current energy crisis. Even minimal heating has become a luxury for many of the region's poor and most residents are spending a greater proportion of their paychecks on home heating. For example, calculations of per capita residential energy costs for just four states from Department of Energy data reveal striking differences: although in 1978 the average U.S. citizen paid $223.31 for residential energy, residents of Maine paid $294.58 and of Illinois $288.07. Yet in Texas the figure was only $239.07 and in Washington state the cost was as low as $132.93.[12] Additional research is needed to determine more precise differences between state energy expenditures, but all indications are that they will continue to grow.

Implications of Rising Energy Costs

Skyrocketing energy costs and tightened supplies have a far-reaching impact on the economy. The importance of energy as a cost component of industrial production cannot be underestimated. Economists are now testing hypotheses that energy revenues are a major factor behind the recent increases in per capita income in the South and West (as demonstrated in

previous chapters). In addition, high energy costs also may be hindering growth in per capita income in the Northeast and Midwest. There is no doubt that energy costs have been a major impetus to the rising cost of living in the region. Public officials also are concerned that these expenses could accelerate the out-migration of population and jobs.

Perhaps more dramatic will be the extraordinary revenues energy-producing states will continue to reap as a result of the decision to speed up the decontrol of oil and natural gas prices. These actions will fuel a continuing spiral in which the rich states get richer and the poor get poorer. State-levied severance taxes plus rents and royalties on state oil and gas properties will bring explosively increasing revenues to energy-producing states, most of which already are running budget surpluses. The Treasury Department estimates that the state of Texas, an energy giant, will collect $1.13 billion in fiscal 1981 from its severance tax on crude oil, and an additional $772 million from its natural gas severance tax.[13] The state of Alaska, with only 400,000 residents, is anticipating oil severance and royalty tax revenues of $128 billion between 1980 and 1996.[14]

Energy-producing states will receive another "bonus" from the federal government. Since many federal funds are distributed on the basis of state "tax effort," more federal dollars will be going to states which need it the least. Tax effort is a factor incorporated into federal aid formulas based on the theory that if a state makes an effort to raise money on its own, it should be rewarded with more aid from the federal government. Yet revenues from energy-related taxes consist largely of exported taxes actually paid by citizens of other states. If left unchanged, energy severance taxes will continue to drain the energy-poor Northeast-Midwest economy and create inflationary budget surpluses in the energy-rich states. This inequitable situation could effectively cripple economic recovery for both the Northeast-Midwest region and the nation as a whole.

Domestic turmoil over the issue of energy severence tax revenues is reaching dramatic proportions in Canada. Although the Canadian energy picture is markedly different than that of the U.S., our internal tensions and conflicts could be every bit as severe. The province of Alberta, which produces 85 percent of Canada's oil and 90 percent of its natural gas, has been reaping tremendous revenues from energy-related taxes and royalties since the 1973 oil embargo.[15] The Alberta Heritage Savings Trust Fund, with a current balance of $6 billion, is projected to grow to $25 billion by 1984.[16] This has occurred despite the retention of price controls on domestic oil sales by the Canadian government. These revenues are being invested in Alberta and other provinces, and plans are being made to allow other provinces to borrow these funds at rates equal to those which the Canadian federal government itself borrows in the world financial market. This massive transfer of wealth and financial power is equally possible in the U.S. Felix Rohatyn, former chairman of the New York City Municipal Assistance Corporation, has remarked that:

> Like a domestic version of OPEC, the oil producing states can use their vast revenues to lower other taxes, increase services, attract industry by almost unlimited means; their economies as well as the economies of surrounding states will get significant boosts. And like a domestic version of the third world, the Northeast and Midwest,

needy for additional federal assistance, will bear the burden since, after all, this is a zero sum game. It is really not very difficult to see where this inevitably leads. Half the country nearly bankrupt, many of its major cities pools of unemployment and unrest and the other half swimming in oil, industry, and wealth. This is not the stuff of a stable democracy; it is not the stuff of a union of states. For a union to survive there must be a sense that both burdens and benefits are shared on an equitable basis.[17]

VII. THE ROLE OF THE FEDERAL GOVERNMENT

Prior to World War II, economic growth in the U.S. depended almost entirely on the private sector. Since the 1940s, however, the size, range of activities, and influence of the federal government have expanded dramatically, making it a major force in shaping the nation's regional economies.

This growing influence compells social scientists and public officials to look more closely at the outcomes of federal policy decisions. Federal programs may inadvertently promote greater regional disparities, and thus accelerate economic decline. In many instances, these unintended ill effects have arisen because a number of federal tax and spending programs continue to address problems of earlier decades. Tax policies which favor new construction over maintenance and rehabilitation of old structures now promote economic development in the healthiest areas of the country. The federal system of progressive taxes based on nominal rather than real disposable income results in correspondingly higher taxes in the Northern regions of the country than in the South and West.[1] Regional variations are evident in a number of the components of federal spending and the allocation formulas of a variety of federal programs.

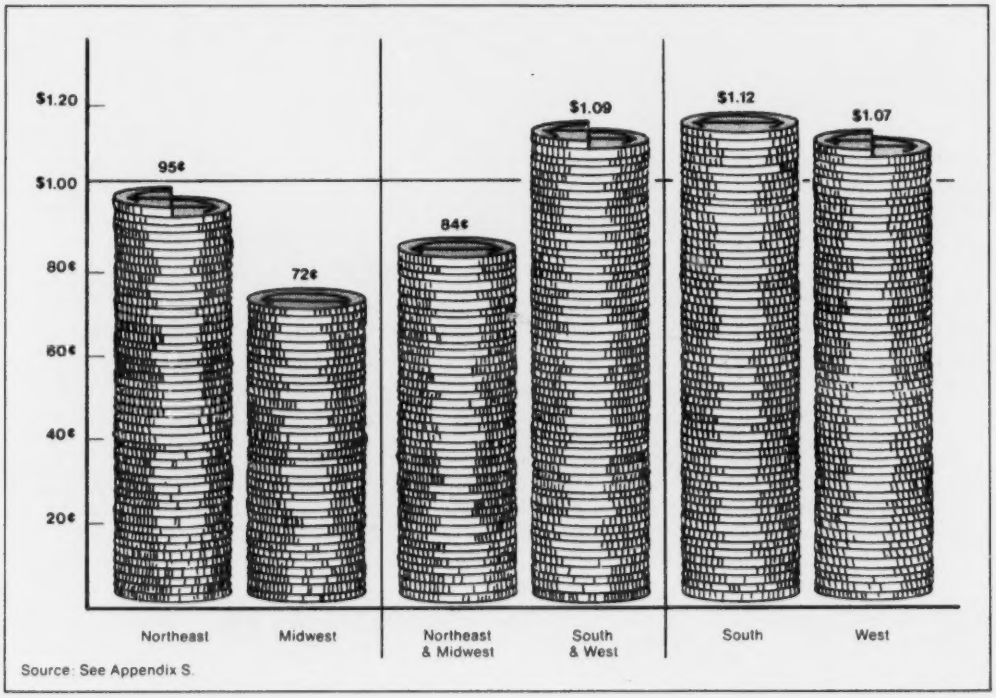
Federal Spending

With an annual budget of over $600 billion and a workforce of over 2.7 million persons, the U.S. government is the nation's largest employer and its largest "corporation." Its procurement budget of over $77.8 billion in fiscal 1979 surpassed the total sales of General Motors, the nation's largest private corporation.

For years, little attention was drawn to the regional effects of the expenditure of this enormous budget. In 1976, however, the widely respected National Journal published a study which attempted to compare -- in regional terms -- federal spending and tax collections. The study reported a "massive flow of wealth" from the Northeast and Midwest to the fast-growing Southern and Western regions of the nation.[2] In the National Journal analysis, a federal spending-to-taxes ratio was calculated for each state. The federal deficit was distributed evenly in proportion to each state's population, so that the deficit was shared equally by every individual in the nation. The methodology utilized in this study was somewhat imprecise, due to the difficulties of incorporating statistics from a wide variety of sources.

Using the same methodology the Northeast-Midwest Congressional Coalition and the Northeast-Midwest Institute undertook a similar analysis of federal spending patterns over a five-year period. The report documented dramatic disparities in the federal "balance of payments." Between fiscal years 1975 and 1979, the states of the Northeast and Midwest sent $165 billion more in taxes to Washington than they got back in federal spending.[3] In fiscal 1979, states in the region received only $.84 back on their tax dollar while states in the South and West received $1.09 (see Figure 10). At the

FIGURE 10
FEDERAL SPENDING PER DOLLAR SENT TO WASHINGTON, 1979

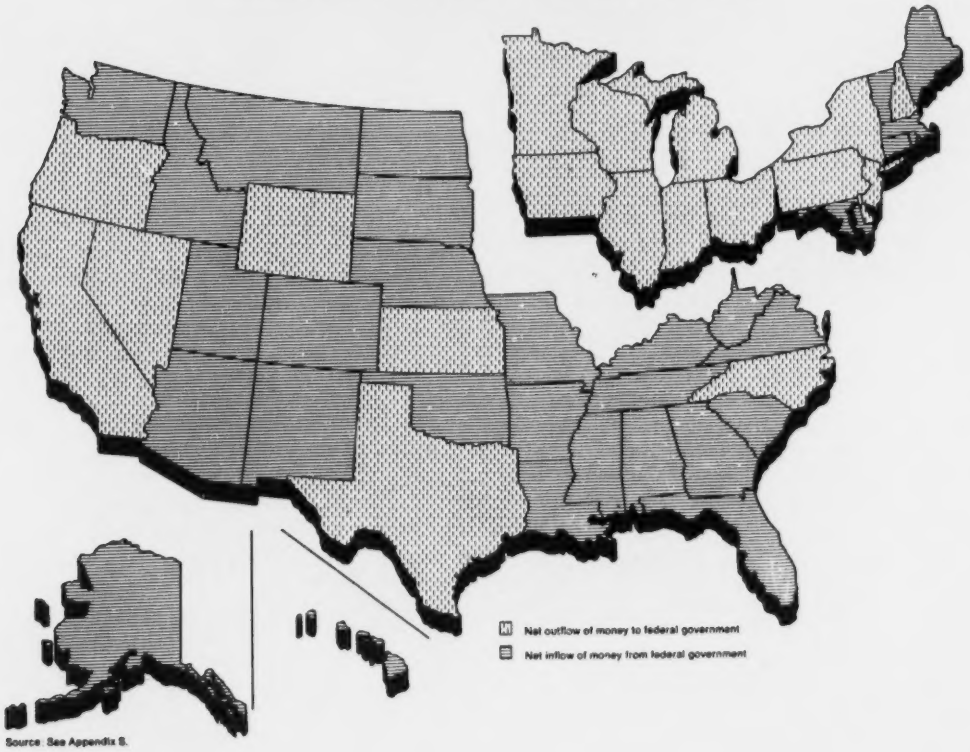


Source: See Appendix S.

state level, the biggest losers all were in the Northeast-Midwest region -- Michigan (66 cents), New Jersey (69 cents), Indiana (70 cents), Ohio (71 cents), and Illinois (73 cents)(see Appendix S). At the opposite end of the scale, significant "surpluses" were registered for states in the South and West. A staggering $1.91 was returned to citizens of New Mexico for every $1 in taxes. Other big winners included Mississippi ($1.57), Alaska ($1.45), and Tennessee and South Dakota ($1.39) as shown on Map 6. The aggregate economic impact of this tilted federal balance of payments may be greater than the current analysis reveals, for many types of federal spending induce a "multiplier effect" throughout a local economy.

Some disparity in federal spending between the states is to be expected. Federal payments to individuals through such programs as Social Security, retirement, and military pensions transcend regional or state boundaries. Other programs designed to meet specific needs, such as environmental protection, also may result in a skewed distribution of federal funds. More alarmingly, however, the present pattern of federal spending appears to work to the disadvantage of states which can least afford a shortfall of federal dollars.

MAP 6
FEDERAL GOVERNMENT SPENDING: WINNERS AND LOSERS, 1979



Source: See Appendix B.

Department of Defense. In its study, the National Journal cited the Department of Defense as the principal source of the disparities in federal spending.[4] The role of the Defense Department is undeniably important, for it is not only the federal government's largest employer but also the largest employer in the nation. With a current budget of over $170 billion, its expenditures are inducing critical shifts in the nation's economic profile. Given the sentiment of both Congress and President Reagan, it can be expected that DOD's role in the national economy will continue to expand as more tax dollars are channelled into defense expenditures, thus exacerbating economic problems in the region.

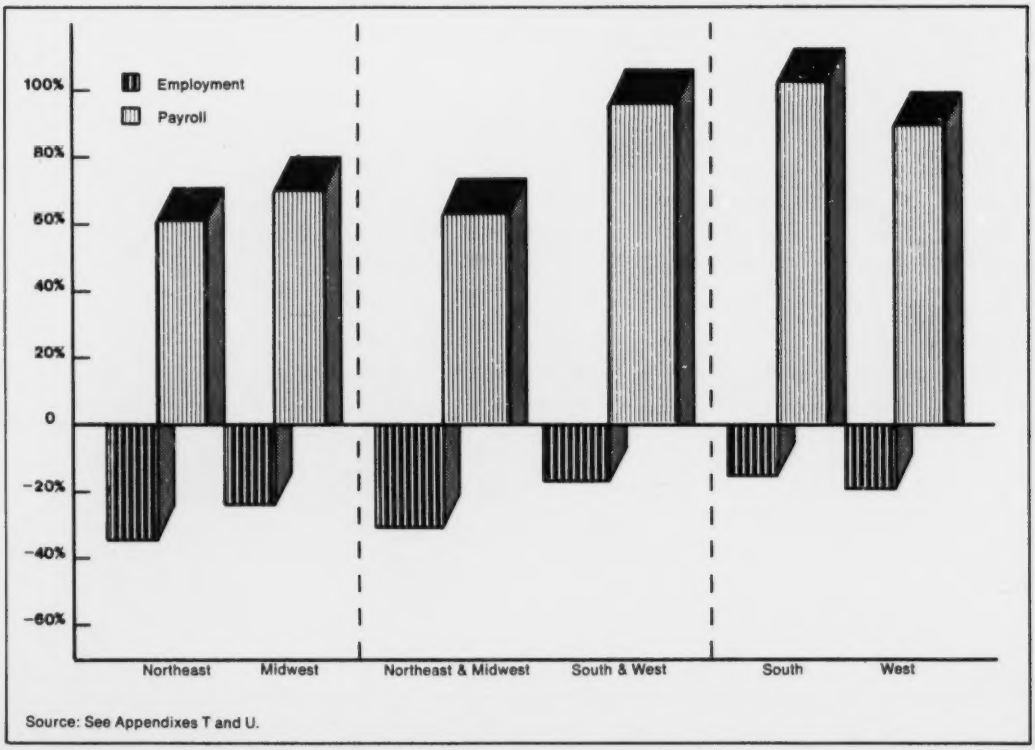
The current economic troubles of the 18 Northeast-Midwest states have been compounded by a dramatic drain of defense dollars and personnel. The Northeast-Midwest Institute recently conducted an extensive analysis of the regional trends in Defense Department expenditures over a 30-year period. In nearly every category, the South and West received a disproportionate share of DOD expenditures.[5] Between fiscal years 1950 and 1979, when defense employment nationwide grew by 30 percent, defense jobs in the Northeastern states actually declined by 17.3 percent for a net loss of 52,460 jobs.[6]

Even in the past nine years (1970-1979), when total defense employment dropped by 20.3 percent, Northeastern and Midwestern states suffered disproportionate losses. Figure 11 indicates that during this period the actual loss was 34.8 percent of all military jobs in the Northeast and 24.1 percent in the Midwest. By contrast, the South lost only 15.9 percent (14.6 percent if the District of Columbia is excluded) and the West 19.1 percent. At the state level, substantial reductions occurred in New Jersey (35,104 personnel), Pennsylvania (22,363), and Massachussetts (20,597). As a result of these disparities, California and Georgia combined now have more military personnel than the entire Northeast-Midwest region. Of the ten states which have over 60,000 Defense Department employees, none is in the Northeast or Midwest (see Appendix T).

The defense personnel who reside in these states bring a tremendous flow of dollars into their respective communities in the form of wages. Figures for wages disbursed to defense employees reveal the same disparate patterns as the employment statistics. Figure 11 demonstrates that between fiscal 1970 and 1979, as the defense payroll rose $20.5 billion (88.2 percent) nationally, it rose by only $2.3 billion (60.5 percent) in the

FIGURE 11

CHANGE IN TOTAL DEPARTMENT OF DEFENSE EMPLOYMENT AND PAYROLL, 1970-79



Source: See Appendixes T and U.

Northeast and $1.4 billion (70.0 percent) in the Midwest. Meanwhile, more than $16.7 billion (a 96.8 percent increase) flowed into the South and the West -- $9.9 billion (102.3 percent) to the South and $6.7 billion (89.7 percent) to the West.

These relative employment and payroll losses are a direct result of the high concentration of military base closures in the Northeast and Midwest. These states sustained 43.6 percent (208) of all base closures from 1965 to 1979 and now have only one-quarter (95) of all DOD installations . In contrast, the South incurred a 21.6 percent reduction (103) and the West 34.8 percent (166).[7] The state of New York alone lost 36 facilities, with a net reduction of 44,270 jobs during this period.

In light of this disparate pattern of closures the Defense Department recently reconsidered realignment proposals at a number of northern installations: Fort Dix in New Jersey, Fort Devens in Massachusetts, Loring Air Force Base in Maine, the Defense Contracting Office in Philadelphia, and Chanute Air Force Base in Illinois. The decision not to close these five facilities saved approximately 15,000 jobs in the Northeast-Midwest region.[8] In addition, some expansion has taken place at Fort Drum and the Watervliet Arsenal in New York and the Philadelphia Naval Shipyard in Pennsylvania.

A crucial element in averting further military installation closures in the northern tier is to insure that the remaining installations are well maintained so that they can compete on equal footing with other installations when base realignment decisions are made. Since 1955, however, facilities in the region have received the lowest level of funds from the military construction category, that portion of DOD's budget which pays for new buildings, additions, and structural improvements.[9] In 1980, states in the Northeast received only 10.9 percent ($194 million) of the total military construction budget, and Midwestern states received a paltry 5.2 percent ($93 million). In contrast, the South received 34.6 percent ($618 million) of the budget and the West 49.4 percent ($882 million).[10]

Expenditures relating directly to facilities and personnel are not the only source of inequity in Defense Department spending. Procurement -- the purchase of goods and services for defense activities -- constitutes a major portion of the DOD budget. In fiscal 1979, the department bought over $57 billion dollars worth of goods. Current reporting systems track only the flow of procurement dollars by state to prime contractors.[11] Since an estimated 50 percent of all prime contracts later are subcontracted, analysis of the prime contract data can yield only rough estimates of where these dollars are spent. With these data limitations in mind, it is interesting to note that calculations by the Office of Management and Budget reveal that the South and the West received 58.8 percent of DOD's prime contracts, while the Northeast-Midwest region received 41.2 percent. As a result, $10.2 billion more was channelled to Southern and Western states. These figures reflect a significant turnaround since 1955, when 59.0 percent of all DOD prime contracts went to states in the Northeast and Midwest and 29.7 percent went to states in the South and the West.[12]

As early as 1952, the significant potential of the federal government's procurement power to stimulate economic development in distressed areas was recognized with the issuance of Defense Manpower Policy No. 4 (DMP-4) by President Truman. The purpose of this policy was to direct a certain portion of federal procurement contracts to firms in areas of high unemployment. By this means, the federal government would spend its money in the areas of the country which need it most, while at the same time encouraging full utilization of existing production facilities and workers. However, implementation of DMP-4 was never successful in the 1950s and 1960s because of the so-called "Maybank Amendment," enacted in 1953. This amendment states that the Defense Department cannot pay a price differential in awarding its contracts for the purpose of relieving economic dislocations. The existence of the Maybank Amendment thus effectively prohibited the Defense Department (which buys three-quarters of all the federal government's goods) from targeting its procurement expenditures for this purpose. However, this year the House-Senate conferees on the fiscal 1981 Defense Appropriations Bill modified the Maybank Amendment by allowing up to $3.4 billion of all procurement awards made by the Defense Logistics Agency (excluding fuel) to be directed to areas of high unemployment, with a 5 percent price differential allowed. This modified repeal was the culmination of a movement led by the Northeast-Midwest Congressional Coalition in the House of Representatives. The House overwhelmingly passed an amendment offered by Congressman Joseph P. Addabbo (D-New York) which called for total repeal of the Maybank proviso. The current modified repeal unleashes a tremendous potential within the Department of Defense for diversifying the distribution of its contract awards and stimulating private-sector activity in distressed areas. However, the degree to which this new potential is realized will depend entirely on the extent to which the policy is actively utilized by state and local governments and private organizations and firms.

Civilian Agencies. The civilian sector of the federal government employs more than 1.8 million persons in over 12,000 facilities across the nation. The location of these employees has an undeniable impact on the shape of regional economies.

The civilian workforce (excluding all civilians who work for DOD) grew by about 10 percent from 1970 to 1978, and throughout this period the majority of federal jobs remained concentrated in the Southern and Western portions of the country. This concentration can be attributed in some measure to the large number of federal personnel employed in the Washington, D.C. area. In 1978, the South and West contained 60.8 percent (1,108,594) of all federal employees. If the District of Columbia is excluded, this percentage drops to 50.3 (917,737). Conversely, the Northeast-Midwest region had only 39.2 percent (715,724) of all federal jobs. This figure represents only a 2 percent job increase for the Northeast-Midwestern region since 1970, but an increase of 16 percent for the South and West (see Appendix W). During this eight-year period the Midwest was the only region actually to decline in civilian employment, with a net loss of 6,750 jobs. Particularly hard hit were Ohio and New York, each of which lost over 4,000 federal jobs.

On top of these regional trends, a 1979 report by the Northeast-Midwest Institute uncovered a movement of federal civilian employees from the nation's urban areas to more suburban and rural locations. The report documented a loss of 42,000 federal civilian employees from the central

cities during the decade 1966-1976. The study also found that economically distressed cities lost 93,000 federal civilian employees, while non-distressed central cities gained 51,300.[13] To reverse the growing population and business flight from urban areas, President Carter strengthened the federal government's commitment to the nation's cities by announcing his Urban Policy in March 1978. A cornerstone of this policy was a directive to locate federal facilities in central business areas (CBAs) of central cities, particularly economically distressed cities, whenever possible. Executive Order 12072, issued in August 1978, established responsibility within the General Services Administration (GSA) for implementing the national urban location policy. If enforced vigorously by the White House, this policy could provide a means for the federal government to reverse a location trend which has compounded economic problems in the more distressed areas of the country.

Procurement by civilian agencies also is an area where the federal government has a substantial effect on local economies. In 1979, over $20 billion worth of goods and services were purchased by these agencies. Regional disparities in civilian procurement are even more striking than in defense procurement. Less than one-third (31 percent) of all goods bought by the civilian agencies in fiscal 1979 went to firms in states in the Northeast-Midwest region. Businesses in the Western states alone received 42.8 percent of all civilian prime contracts. Firms in one state, California, received over 18.8 percent ($3.7 billion). With their large share of defense contracts, California firms received almost 20 percent of the entire federal procurement budget (see Appendix V). Although this data does not reveal the extent to which these contracts later were subcontracted out of state, the disparate figures follow patterns similar to those for the location of federal employees.

Federal Aid Programs

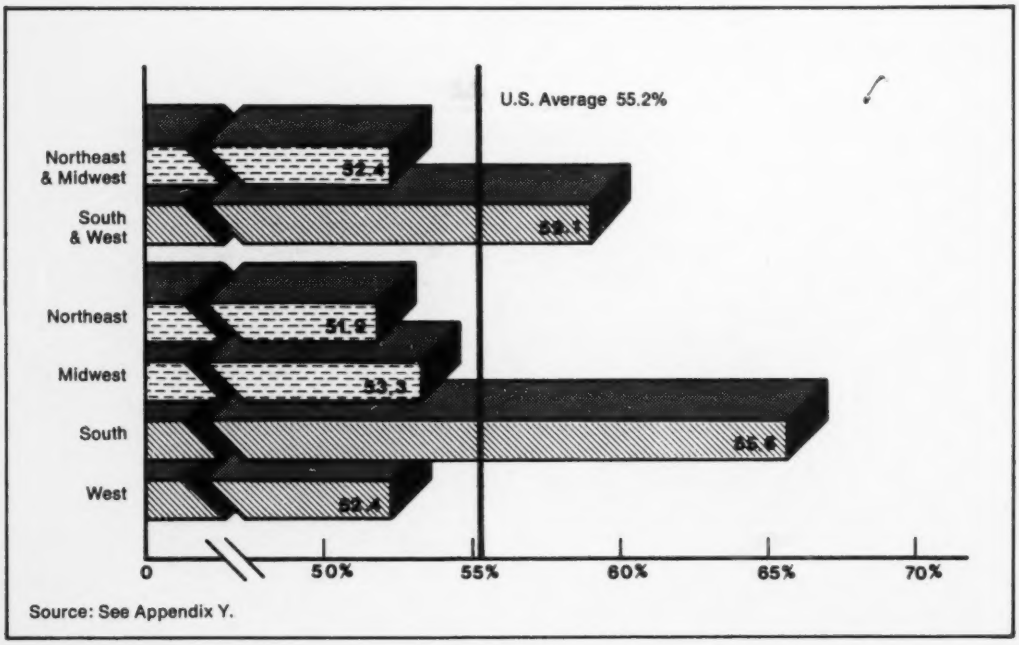
Current inequities inherent in many federal aid programs have placed heavier burdens on the states in the Northeast-Midwest region. In the area of social welfare, Aid to Families with Dependent Children (AFDC) and Medicaid both reimburse states in the region at rates lower than those which apply to many states in the South and West. As a result, a dual burden is placed on financially strapped Northeastern and Midwestern states, which have a greater number of program recipients but receive a smaller reimbursement from the federal government.

The AFDC program provides a clear example of the varying burdens placed on state governments. Payments to program recipients totalled over $10 billion in 1978, with an average federal reimbursement rate of 53.8 percent. However, the rate of reimbursement varied widely among the states, from 50 percent to 83.1 percent. Almost two-thirds of the states in the South and West were reimbursed for over 60 percent of their welfare costs; only one-sixth of the states in the Northeast-Midwest region received reimbursements at or above the 60 percent level. As demonstrated in Appendix X, the South was reimbursed at a rate well above the national average, while the Northeast, Midwest, and West all fell below. At the same time, the states in the Northeast-Midwest region have an average of three-quarters of a million more recipients per month than do states in the South and West. The Northeast, and in particular New York, bear a disproportionate share of the welfare burden.

Federal reimbursements for Medicaid expenditures are based on the same AFDC formula, and Figure 12 reveals these same disparate reimbursement rates. Medicaid, however, creates even greater differences between regional economies. The $18 billion expended on Medicaid in 1978 was more than 75 percent greater than the total spent on AFDC. Reimbursement to the South and West for Medicaid expenses averaged 59.1 percent in 1978, but only 52.4 percent for the Northeast-Midwest region (see Appendix Y). States in the South consistently received the highest levels of federal Medicaid reimbursement. The leaders included Mississippi at 78.2 percent, Alabama at 72.6 percent, and South Carolina and Arkansas, both at 72.1 percent.

Since federal reimbursement is based on each state's ability to pay, variations from state to state are to be expected. However, the formulas used to make this determination are based primarily on per capita income, an indicator which does not provide an accurate measure of relative capacity to raise tax revenue. For example, the per capita income indicator fails to take into account geographic cost-of-living differences, which produce widely varying standards of living. In addition, no consideration is given by the present indicator to many of the fiscal problems facing declining areas caused by factors like job growth, population decline, and underemployment.

FIGURE 12
FEDERAL REIMBURSEMENT FOR MEDICAID, 1978



Source: See Appendix Y.

Federal aid programs span a wide range of activities, not just social welfare. For example, the federal government assists state and local governments in the financing of local highways, hospitals, and health facilities. In a number of these programs, a persistent trend toward greater federal assistance to the South and West remains. Reimbursement to the states for highway funds, for instance, averaged 26 percent in 1977, but states in the Northeast-Midwest region received only 22.9 percent. Meanwhile, the federal share to the West was 35.4 percent and to the South 30.7 percent.[14] Federal aid for health and hospitals (excluding Medicaid) also was lower to states in the Northeast and Midwest -- 10.4 percent to Northeastern states and 6.0 percent to Midwestern states. The South received a federal reimbursement of 14.5 percent and the West 14.1 percent.[15]

Some steps have been taken recently to change funding formulas for social welfare and other grant-in-aid programs to align them more closely with changed regional and local economic conditions. The food stamp program now includes a cost-of-living adjustment for program eligibility. The Department of Housing and Urban Development's Community Development Block Grant (CDBG) program has a new dual funding formula that weighs not only the poverty factor but also the age of a city's housing stock and its population loss. The Urban Development Action Grant (UDAG) program, also administered by the Department of Housing and Urban Development, incorporates a number of measures of economic distress, including growth in per capita income, population and employment growth, and age of housing stock. Although these victories in the federal arena are helpful, they represent only a partial solution to the long-term structural problems plaguing the Northeast-Midwest economy.

VIII. CONCLUSION

The trends highlighted in the preceding chapters constitute a pronounced threat to the physical and economic well-being of the 100 million Americans living in the Northeast-Midwest region, and to the security of the nation as a whole. Unabated, these shifts will erode many of America's productive resources -- its industry, its work force, and its physical infrastructure -- at a time when our country can least afford it. Population loss, high living costs, structural unemployment, low growth rates of business investment, and soaring energy prices are but a few of the signposts marking the region's difficult road ahead.

It has been suggested that the changing conditions among the regions of the nation will lead to a second Civil War, pitting the aging Frostbelt against the blossoming Sunbelt. This scenario, however, ignores the basic structure of the domestic economy, with its high level of regional interdependence: for example, the growing industries of the Southwest continue to rely on the northern manufacturing belt and California for nearly half their components.[1] Continuation of this relationship can only promote a healthier and more efficient national economy. New growth in the Sunbelt does not require the nation to accept decline in the Frostbelt, nor does it preclude a revitalization of older urban centers. Rather, it must be recognized that the continued decline of one region can serve only to undermine the economic health of the entire country.

The present state of the Northeast-Midwest region is the product of a host of changing domestic and international conditions, the inability of public officials to deal with an aging economy, and federal policies designed to spur growth in the South and West.

Since the 1930s, the federal government has invested billions of dollars in laying the foundation for economic revival in the South and development of the West. Massive federal outlays for the Tennessee Valley Authority, interstate highways, water and energy projects, military bases, rural electrification, port construction, the space program, federal procurement, and other programs established the basis for rapid economic growth in these regions. But as economic decline accelerates in the Northeast and Midwest, federal policy remains tilted toward the development interests of the South and West. Some public officials have argued that promotion of the Sunbelt should continue -- and even be enhanced -- and that the decline of the older urban centers of the Northeast and Midwest should be accepted as inevitable. Columnist Neal R. Peirce warns that if such policies are followed, "the 1980s could be an era of two Americas -- one thriving, one hemorrhaging at every pore; one reaching new levels of growth and prosperity, one on a slippery slide of permanent decline."[2]

Policies of this kind clearly contradict the national interest. Northern urban centers provide a more efficient use of scarce land and energy than do the sprawling development patterns characteristic of the South and West. The Northeast-Midwest region possesses an abundant water supply,

houses a wealth of technical expertise, and is populated by a skilled and able-bodied workforce. Peirce has pointed out other disadvantages of accepting or promoting abandonment of the nation's older industrial areas:

> Such trends are inherently anti-social, because they encourage population outflow and the destruction of established city neighborhoods. They are diseconomic: first because national taxpayers eventually have to pay, at least in part, the bill for high levels of urban distress. And second, because they encourage the abandonment or underuse of buildings and public "infrastructure" -- public roads, bridges, sewers, transit facilities -- long since paid for by the society.[3]

The elected officials of the Northeast and Midwest are not content to sit idly by and see their region devastated. Over the past five years, through regional coalitions in Congress and among governors and mayors, they have banded together to reverse these trends and restore strength and vitality to the Northeast-Midwest economy. These officials recognize that the policies of the federal government are only a partial cause -- and thus can be only a partial solution -- to the region's economic ills. They have begun to make important changes at the state and local levels and in relationships with the private sector that must accompany the redirection of federal policies.

Many such efforts are incubating, but it will require creativity, dedication, and patience to achieve the goal of revitalization. Joint undertakings by local business, government, and labor leaders to develop long-term economic development strategies must be vigorously pursued. Renewed emphasis must be placed on bringing new ideas for rebuilding the nation's cities to the forefront. Limited federal and state resources must be carefully directed toward those areas which need it most. Regional coalitions and research organizations must continue to explore the complex factors behind the drain of labor and investment capital, and must redouble their efforts and reverse the flow. The future of the Frostbelt can be bright as long as its citizens see decline not as inevitable, but as a call to action and a challenge they can meet.

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APPENDIXES

APPENDIX A

TOTAL POPULATION CHANGE: 1960-70, BY REGION AND STATE
(Numbers rounded in thousands)

Region and State	Year		Change 1960-70	
	1960	1970	Number	Percent
NEW ENGLAND				
Connecticut	2,544	3,032	488	19.2
Maine	975	994	19	1.9
Massachusetts	5,160	5,689	529	10.3
New Hampshire	609	738	129	21.2
Rhode Island	855	950	95	11.1
Vermont	389	445	56	14.4
Total or Average	10,532	11,848	1,316	12.5
MID-ATLANTIC				
Delaware	449	548	99	22.0
Maryland	3,113	3,924	811	26.1
New Jersey	6,103	7,171	1,068	17.5
New York	16,838	18,241	1,403	8.3
Pennsylvania	11,329	11,801	472	4.2
Total or Average	37,832	41,685	3,853	10.2
MIDWEST				
Illinois	10,086	11,110	1,027	10.2
Indiana	4,674	5,195	521	11.1
Iowa	2,756	2,825	69	2.5
Michigan	7,834	8,882	1,048	13.4
Minnesota	3,425	3,806	381	11.1
Ohio	9,734	10,657	923	9.5
Wisconsin	3,962	4,418	456	11.5
Total or Average	42,471	46,893	4,425	10.4
SOUTH				
Alabama	3,274	3,444	170	5.2
Arkansas	1,789	1,923	134	7.5
District of Columbia	765	757	-8	-1.0
Florida	5,004	6,791	1,787	35.7
Georgia	3,956	4,588	632	16.0
Kentucky	3,041	3,221	180	5.9
Louisiana	3,260	3,645	385	11.8
Mississippi	2,182	2,217	35	1.6
North Carolina	4,573	5,084	511	11.2
Oklahoma	2,336	2,559	223	9.5
South Carolina	2,392	2,591	199	8.3
Tennessee	3,575	3,926	351	9.8
Texas	9,624	11,199	1,575	16.4
Virginia	3,986	4,651	665	16.7
West Virginia	1,853	1,744	-109	-5.9
Total or Average	51,610	58,340	6,730	13.0

APPENDIX A
(continued)

Region and State	Year 1960	Year 1970	Change 1960-70 Number	Change 1960-70 Percent
WEST				
Alaska	229	303	73	31.9
Arizona	1,321	1,775	454	34.4
California	15,870	19,971	4,101	25.8
Colorado	1,769	2,210	441	24.9
Hawaii	642	770	128	19.9
Idaho	671	713	42	6.3
Kansas	2,183	2,249	66	3.0
Missouri	4,326	4,678	352	8.1
Montana	679	694	15	2.2
Nebraska	1,417	1,485	68	4.8
Nevada	291	489	198	68.0
New Mexico	954	1,017	63	6.6
North Dakota	634	618	-16	-2.5
Oregon	1,772	2,092	320	18.1
South Dakota	683	666	-17	-2.5
Utah	900	1,059	159	17.7
Washington	2,855	3,413	558	19.7
Wyoming	331	332	1	0.3
Total or Average	37,527	44,534	7,006	18.7
NORTHEAST	48,364	53,533	5,169	10.7
MIDWEST	42,471	46,893	4,425	10.4
NORTHEAST AND MIDWEST	90,835	100,426	9,594	10.6
SOUTH	51,610	58,340	6,730	13.0
WEST	37,527	44,533	7,006	18.7
SOUTH AND WEST	89,137	102,874	13,736	15.4
UNITED STATES[a/]	179,979	203,302	23,323	13.0

a/ U.S. Total revised. State revisions not available; therefore, components will not add to total.

SOURCE: Staff calculations from the U.S. Department of Commerce, Bureau of the Census, Current Population Reports, Series P-25, No. 868 (Washington, D.C.: U.S. Department of Commerce, 1979).

APPENDIX B

TOTAL POPULATION CHANGE: 1970-79, BY REGION AND STATE
(Numbers rounded in thousands)

Region and State	Year		Change 1970-79	
	1970	1979	Number	Percent
NEW ENGLAND				
Connecticut	3,032	3,115	83	2.7
Maine	994	1,097	103	10.4
Massachusetts	5,689	5,769	80	1.4
New Hampshire	738	887	149	20.2
Rhode Island	950	929	-21	-2.2
Vermont	445	493	48	10.8
Total or Average	11,848	12,290	442	3.7
MID-ATLANTIC				
Delaware	548	582	34	6.2
Maryland	3,924	4,148	224	5.7
New Jersey	7,171	7,332	161	2.2
New York	18,241	17,648	-593	-3.3
Pennsylvania	11,801	11,731	-70	-0.6
Total or Average	41,685	41,441	-244	-0.6
MIDWEST				
Illinois	11,110	11,229	119	1.1
Indiana	5,195	5,400	205	4.0
Iowa	2,825	2,902	77	2.7
Michigan	8,882	9,207	325	3.7
Minnesota	3,806	4,060	254	6.7
Ohio	10,657	10,731	74	0.7
Wisconsin	4,418	4,720	302	6.8
Total or Average	46,893	48,249	1,356	2.9
SOUTH				
Alabama	3,444	3,769	325	9.4
Arkansas	1,923	2,180	257	13.4
District of Columbia	757	656	-101	-13.3
Florida	6,791	8,860	2,069	30.5
Georgia	4,588	5,117	529	11.5
Kentucky	3,221	3,527	306	9.6
Louisiana	3,645	4,018	373	10.3
Mississippi	2,217	2,429	212	9.6
North Carolina	5,084	5,606	522	10.3
Oklahoma	2,559	2,892	333	13.0
South Carolina	2,591	2,932	341	13.2
Tennessee	3,926	4,380	454	11.6
Texas	11,199	13,380	2,181	19.5
Virginia	4,651	5,197	546	11.7
West Virginia	1,744	1,878	134	7.7
Total or Average	58,340	66,821	8,481	14.5

APPENDIX B
(continued)

Region and State	Year 1970	Year 1979	Change 1970-79 Number	Change 1970-79 Percent
WEST				
Alaska	303	406	103	34.0
Arizona	1,775	2,450	675	38.0
California	19,971	22,694	2,723	13.6
Colorado	2,210	2,772	562	25.4
Hawaii	770	915	145	18.8
Idaho	713	905	192	26.9
Kansas	2,249	2,369	120	5.3
Missouri	4,678	4,867	189	4.0
Montana	694	786	92	13.3
Nebraska	1,485	1,574	89	6.0
Nevada	489	702	213	43.6
New Mexico	1,017	1,241	224	22.0
North Dakota	618	657	39	6.3
Oregon	2,092	2,527	435	20.8
South Dakota	666	689	23	3.5
Utah	1,059	1,367	308	29.1
Washington	3,413	3,926	513	15.0
Wyoming	332	450	118	35.5
Total or Average	44,534	51,297	6,763	15.2
NORTHEAST	53,533	53,731	198	0.4
MIDWEST	46,893	48,249	1,356	2.9
NORTHEAST AND MIDWEST	100,426	101,980	1,554	1.6
SOUTH	58,340	66,821	8,481	14.5
WEST	44,534	51,297	6,763	15.2
SOUTH AND WEST	102,874	118,118	15,244	14.8
UNITED STATES[a/]	203,302	220,099	16,797	8.3

a/ U.S. Total revised. State revisions not available; therefore, components will not add to total.

SOURCE: Staff Calculations from the U.S. Department of Commerce, Bureau of the Census, Current Population Reports, Series P-25, No. 868 (Washington, D.C.: U.S. Department of Commerce, 1979).

APPENDIX C

NET MIGRATION: 1970-79, BY REGION AND STATE
(Numbers rounded in thousands)

Region and State	Year		Change 1970-79	
	1970	1979	Number	Percent
NEW ENGLAND				
Connecticut	3,032	3,115	-37	-1.2
Maine	994	1,097	52	5.2
Massachusetts	5,689	5,769	-92	-1.6
New Hampshire	738	887	106	14.3
Rhode Island	950	929	-49	-5.2
Vermont	445	493	22	5.0
Total or Average	11,848	12,290	2	0.0
MID-ATLANTIC				
Delaware	548	582	-2	-0.4
Maryland	3,924	4,148	5	0.1
New Jersey	7,171	7,332	-131	-1.8
New York	18,241	17,648	-1,287	-7.1
Pennsylvania	11,801	11,731	-406	-3.4
Total or Average	41,956	41,441	-1,821	-4.4
MIDWEST				
Illinois	11,110	11,229	-542	-4.9
Indiana	5,195	5,400	-150	-2.9
Iowa	2,825	2,902	-56	-2.0
Michigan	8,882	9,207	-300	-3.4
Minnesota	3,806	4,060	16	0.4
Ohio	10,657	10,731	-565	-5.3
Wisconsin	4,481	4,720	52	1.2
Total or Average	46,956	48,249	-1,545	-3.3
SOUTH				
Alabama	3,444	3,769	75	2.2
Arkansas	1,923	2,180	136	7.1
District of Columbia	757	656	-131	-17.4
Florida	6,791	8,860	1,848	27.2
Georgia	4,588	5,517	128	2.8
Kentucky	3,221	3,527	91	2.8
Louisiana	3,645	4,018	34	0.9
Mississippi	2,217	2,429	7	0.3
North Carolina	5,084	5,606	151	3.0
Oklahoma	2,559	2,892	177	6.9
South Carolina	2,591	2,932	103	4.0
Tennessee	3,926	4,380	202	5.1
Texas	11,199	13,380	1,045	9.3
Virginia	4,651	5,197	230	4.9
West Virginia	1,744	1,878	47	2.7
Total or Average	58,340	67,221	4,143	7.1

APPENDIX C
(continued)

Region and State	Year 1970	Year 1979	Change 1970-79 Number	Change 1970-79 Percent
WEST				
Alaska	303	406	47	15.6
Arizona	1,775	2,450	464	26.1
California	19,971	22,694	1,248	6.2
Colorado	2,210	2,772	350	15.8
Hawaii	770	915	36	4.6
Idaho	713	905	100	14.0
Kansas	2,249	2,369	-4	-0.2
Missouri	4,678	4,867	-16	-0.3
Montana	694	786	38	5.4
Nebraska	1,485	1,574	0	0.0
Nevada	489	702	165	33.8
New Mexico	1,017	1,241	94	9.3
North Dakota	618	657	-8	-1.3
Oregon	2,092	2,527	305	14.6
South Dakota	666	689	-23	-3.5
Utah	1,059	1,367	80	7.6
Washington	3,413	3,926	295	8.6
Wyoming	332	450	81	24.2
Total or Average	44,534	51,297	3,252	7.3
NORTHEAST	53,533	53,731	-1,819	-4.4
MIDWEST	46,956	48,249	-1,545	-3.3
NORTHEAST AND MIDWEST	100,489	101,980	-3,364	-3.4
SOUTH	58,340	67,221	4,143	7.1
WEST	44,534	51,297	3,252	7.3
SOUTH AND WEST	102,874	118,518	7,395	7.2
UNITED STATES[a/]	203,302	220,099	4,030	2.0

a/ U.S. Total revised. State revisions not available; therefore, components will not add to total.

SOURCE: Staff calculations from the U.S. Department of Commerce, Bureau of the Census, Population Estimates and Projections, Series P-25, No. 876 (Washington, D.C.: Department of Commerce, February 1980).

APPENDIX D

POPULATION PROJECTIONS: 1980-2000, BY REGION AND STATE
(Numbers in thousands)

Region and State	Population			Change 1980-2000
	1980	1990	2000	Percent
NEW ENGLAND				
Connecticut	3,138	3,287	3,386	7.9
Maine	1,120	1,273	1,405	25.4
Massachusetts	5,978	6,450	6,842	14.5
New Hampshire	869	1,002	1,113	28.1
Rhode Island	962	1,045	1,117	16.1
Vermont	492	543	586	19.1
Total or Average	12,559	13,600	14,449	15.0
MID-ATLANTIC				
Delaware	600	651	689	14.8
Maryland	4,353	4,928	5,436	24.9
New Jersey	7,492	8,010	8,425	12.4
New York	17,902	17,995	17,961	0.3
Pennsylvania	11,884	12,191	12,317	3.6
Total or Average	42,231	43,775	44,828	6.1
MIDWEST				
Illinois	11,259	11,665	11,923	5.9
Indiana	5,369	5,595	5,731	6.7
Iowa	2,891	3,031	3,131	8.3
Michigan	9,275	9,814	10,148	9.4
Minnesota	4,025	4,338	4,561	13.3
Ohio	10,738	10,988	11,051	2.9
Wisconsin	4,752	5,198	5,545	16.7
Total or Average	48,309	50,629	52,090	7.8
SOUTH				
Alabama	3,771	4,140	4,425	17.3
Arkansas	2,224	2,479	2,690	21.0
District of Columbia	685	651	627	-8.5
Florida	9,607	12,207	14,394	49.8
Georgia	5,302	6,133	6,840	29.0
Kentucky	3,551	3,953	4,290	20.8
Louisiana	3,932	4,255	4,486	14.1
Mississippi	2,421	2,617	2,763	14.1
North Carolina	5,790	6,573	7,226	24.8
Oklahoma	2,854	3,178	3,449	20.9
South Carolina	3,025	3,494	3,893	28.7
Tennessee	4,365	4,816	5,183	18.7
Texas	13,195	15,342	17,167	30.1
Virginia	5,334	6,117	6,768	26.9
West Virginia	1,844	1,973	2,076	12.6
Total or Average	67,900	77,928	86,277	27.1

APPENDIX D
(continued)

Region and State	Population 1980	Population 1990	Population 2000	Change 1980-2000 Percent
WEST				
Alaska	412	491	544	32.0
Arizona	2,568	3,261	3,822	48.8
California	22,386	25,111	27,309	22.0
Colorado	2,823	3,409	3,892	37.9
Hawaii	941	1,086	1,193	26.8
Idaho	893	1,061	1,195	33.8
Kansas	2,318	2,443	2,540	9.6
Missouri	4,849	5,129	5,346	10.3
Montana	791	894	977	23.5
Nebraska	1,597	1,738	1,851	15.9
Nevada	662	800	908	37.2
New Mexico	1,249	1,466	1,636	31.0
North Dakota	653	698	732	12.1
Oregon	2,437	2,781	3,070	26.0
South Dakota	690	724	748	8.4
Utah	1,321	1,571	1,775	35.4
Washington	3,656	3,936	4,161	13.8
Wyoming	408	474	527	29.2
Total or Average	50,654	57,073	62,226	22.9
NORTHEAST	54,790	57,375	59,277	8.2
MIDWEST	48,309	50,629	52,090	7.8
NORTHEAST AND MIDWEST	103,099	108,004	111,367	6.1
SOUTH	67,900	77,928	86,277	27.1
WEST	50,654	57,073	62,226	22.8
SOUTH AND WEST	118,554	135,001	148,503	25.3
UNITED STATES	221,651	243,004	259,869	17.2

SOURCE: Staff calculations from the U.S. Department of Commerce, Bureau of the Census, Current Population Reports, Series P-25, No. 735, "Illustrative Projections of State Populations: 1975 to 2000 (Advanced Report)" (Washington, D.C.: Government Printing Office, October 1978), attachment.

APPENDIX E

PER CAPITA INCOME CHANGE: 1970-79, BY REGION AND STATE

Region and State	1970 Per Capita Income	1970 Percent of National Average	1979 Per Capita Income	1979 Percent of National Average	1970-79 Percent Change
NEW ENGLAND					
Connecticut	4,871	125	10,129	115	107.9
Maine	3,250	83	7,039	80	116.6
Massachusetts	4,276	110	8,893	101	108.0
New Hampshire	3,720	96	8,351	95	124.5
Rhode Island	3,878	100	8,510	97	119.4
Vermont	3,447	89	7,329	84	112.6
Total or Average	4,255	109	8,908	102	109.4
MID-ATLANTIC					
Delaware	4,468	115	9,327	106	108.8
Maryland	4,267	110	9,331	106	118.7
New Jersey	4,684	120	9,747	111	109.1
New York	4,605	118	9,104	104	97.7
Pennsylvania	3,879	100	8,558	98	120.6
Total or Average	4,388	113	9,089	104	107.1
MIDWEST					
Illinois	4,446	114	9,779	112	120.0
Indiana	3,709	95	8,570	98	131.1
Iowa	3,643	94	8,772	100	140.8
Michigan	4,041	104	9,403	107	132.7
Minnesota	3,819	98	8,865	101	132.1
Ohio	3,949	101	8,715	99	120.7
Wisconsin	3,712	95	8,484	97	128.6
Total or Average	4,012	103	9,075	103	126.2
SOUTH					
Alabama	2,892	74	6,962	79	140.7
Arkansas	2,791	72	6,933	79	148.4
District of Columbia	4,644	119	10,570	120	127.6
Florida	3,698	95	8,546	97	131.1
Georgia	3,300	85	7,630	87	131.2
Kentucky	3,076	19	7,390	84	140.2
Louisiana	3,023	78	7,583	86	150.8
Mississippi	2,547	65	6,178	70	142.5
North Carolina	3,200	82	7,385	84	130.7
Oklahoma	3,341	86	8,509	97	154.6
South Carolina	2,951	76	7,057	80	138.5
Tennessee	3,079	79	7,343	84	137.7
Texas	3,507	90	8,788	100	150.6
Virginia	3,667	94	8,587	98	134.2
West Virginia	3,038	78	7,372	84	142.6
Total or Average	3,300	85	7,999	91	142.4

APPENDIX E
(continued)

Region and State	1970 Per Capita Income	1970 Percent of National Average	1979 Per Capita Income	1979 Percent of National Average	1970-79 Percent Change
WEST					
Alaska	4,638	119	11,219	128	142.0
Arizona	3,614	93	8,423	96	133.1
California	4,423	114	10,047	155	127.1
Colorado	3,838	99	9,122	104	137.7
Hawaii	4,599	118	9,223	105	100.5
Idaho	3,243	83	7,571	86	133.4
Kansas	3,725	96	9,223	105	147.6
Missouri	3,654	94	8,251	94	125.8
Montana	3,395	87	7,684	88	126.3
Nebraska	3,657	94	8,684	98	137.5
Nevada	4,583	118	10,521	120	129.6
New Mexico	3,045	78	7,560	86	148.3
North Dakota	3,077	79	8,231	94	167.5
Oregon	3,677	94	8,938	102	143.1
South Dakota	3,108	80	7,455	85	139.9
Utah	3,169	81	7,197	82	127.1
Washington	3,997	103	9,565	109	139.3
Wyoming	3,672	94	9,922	113	170.2
Total or Average	4,030	104	9,303	106	130.8
NORTHEAST	4,359	112	9,048	103	108.0
MIDWEST	4,012	103	9,075	103	126.2
NORTHEAST AND MIDWEST	4,197	108	9,060	103	115.9
SOUTH	3,300	85	7,999	91	142.4
WEST	4,030	104	9,303	106	130.8
SOUTH AND WEST	3,587	92	8,565	98	138.8
UNITED STATES	3,893	100	8,773	100	125.3

SOURCE: Staff calculations from the U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business, Vol. 60 No. 8 (Washington, D.C.: Government Printing Office August 1980).

APPENDIX F

PER CAPITA INCOME PROJECTIONS: 1978 to 2000, BY REGION AND STATE
(in 1972 dollars)

Region and State	Year			Average Annual Growth Rate 1978-2000	Change 1978-2000	
	1978	1985	2000	(percent)	Number	Percent
NEW ENGLAND						
Connecticut	5,943	7,122	9,490	2.8	3,547	59.7
Maine	4,205	5,271	7,525	3.6	3,320	79.0
Massachusetts	5,284	6,524	8,902	2.6	3,618	68.5
New Hampshire	4,919	6,028	8,379	3.9	3,460	70.3
Rhode Island	4,964	6,163	8,663	3.2	3,699	74.5
Vermont	4,401	5,460	7,767	3.5	3,366	76.5
Total or Average	4,953	6,095	8,454	3.3	3,501	70.7
MID-ATLANTIC						
Delaware	5,687	7,021	9,702	3.4	4,015	70.6
Maryland	5,565	6,872	9,475	2.9	3,910	70.3
New Jersey	5,850	7,127	9,643	2.9	3,793	64.8
New York	5,486	6,660	9,189	2.1	3,703	67.5
Pennsylvania	5,163	6,408	9,019	2.6	3,856	74.7
Total or Average	5,550	6,818	9,406	2.8	3,856	69.5
MIDWEST						
Illinois	5,913	7,280	9,858	2.8	3,945	66.7
Indiana	5,135	6,370	9,032	3.3	3,897	75.9
Iowa	5,237	6,470	9,029	3.0	3,792	72.4
Michigan	5,658	6,953	9,627	3.0	3,969	70.2
Minnesota	5,269	6,513	9,058	3.5	3,789	71.9
Ohio	5,238	6,535	9,181	2.9	3,943	75.3
Wisconsin	5,021	6,192	8,671	3.2	3,650	72.7
Total or Average	5,353	6,616	9,208	3.1	3,855	72.0
SOUTH						
Alabama	4,217	5,392	8,144	3.6	3,927	93.1
Arkansas	4,081	5,128	7,610	3.5	3,529	86.5
District of Columbia	6,399	7,870	10,878	2.2	4,479	70.0
Florida	5,052	6,134	8,804	4.4	3,752	74.3
Georgia	4,519	5,645	8,208	3.7	3,689	81.6
Kentucky	4,403	5,728	8,614	4.0	4,211	95.6
Louisiana	4,492	5,719	8,534	4.0	4,042	90.0
Mississippi	3,721	4,763	7,291	4.1	3,570	95.9
North Carolina	4,426	5,551	8,117	3.8	3,691	83.4
Oklahoma	4,751	5,925	8,434	3.6	3,683	77.5
South Carolina	4,195	5,243	7,864	4.0	3,669	87.5
Tennessee	4,374	5,550	8,009	4.0	3,635	83.1
Texas	5,164	6,344	8,980	4.1	3,816	73.9

APPENDIX F
(Continued)

Region and State	1978	1985	2000	Average Annual Growth Rate (percent) 1978-2000	Change 1978-2000 Number	Change 1978-2000 Percent
SOUTH (continued)						
Virginia	5,147	6,342	8,950	3.6	3,803	73.9
West Virginia	4,419	5,780	8,723	3.8	4,304	97.4
Total or Average	4,624	5,808	8,477	3.8	3,853	83.3
WEST						
Alaska	7,233	8,346	11,337	4.5	4,104	56.7
Arizona	4,923	6,014	8,688	4.4	3,765	76.5
California	5,944	7,091	9,587	3.3	3,643	61.3
Colorado	5,411	6,600	9,238	4.4	3,827	70.7
Hawaii	5,643	6,699	9,098	3.7	3,455	61.2
Idaho	4,716	5,705	8,188	4.0	3,472	73.6
Kansas	5,231	6,394	8,967	3.1	3,736	71.4
Missouri	4,858	6,045	8,496	2.9	3,638	74.9
Montana	4,610	5,739	8,441	3.6	3,831	83.1
Nebraska	5,029	6,158	8,734	3.1	3,705	73.7
Nevada	6,252	7,359	9,621	5.3	3,369	53.9
New Mexico	4,399	5,440	7,980	3.9	3,581	81.4
North Dakota	4,955	6,070	8,789	3.2	3,834	77.4
Oregon	5,384	6,477	9,037	4.3	3,653	67.9
South Dakota	4,390	5,509	7,909	3.1	3,519	80.2
Utah	4,396	5,422	8,073	4.6	3,677	83.6
Washington	5,702	6,918	9,498	3.6	3,796	66.6
Wyoming	5,791	6,943	9,593	4.5	3,802	65.7
Total or Average	5,270	6,385	8,960	3.9	3,690	70.0
NORTHEAST	5,224	6,423	8,887	3.1	3,663	70.1
MIDWEST	5,353	6,616	9,208	3.1	3,855	72.0
NORTHEAST AND MIDWEST	5,274	6,498	9,012	3.1	3,738	70.9
SOUTH	4,624	5,808	8,477	3.8	3,853	83.3
WEST	5,270	6,385	8,960	3.9	3,690	70.0
SOUTH AND WEST	4,977	6,123	8,740	3.9	3,763	75.6
UNITED STATES	5,227	6,420	8,993	3.3	3,766	72.1

SOURCE: Staff calculations from the U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Projections -- State Summaries (Washington, D.C.: U.S. Department of Commerce, October 1980) and the U.S. Department of Commerce, Bureau of Economic Analysis, State Projections of Personal Income to the Year 2000 (Washington, D.C.: U.S. Department of Commerce, December 1980), p. 9.

APPENDIX G

NONAGRICULTURAL EMPLOYMENT CHANGE: 1970-80
BY REGION AND STATE
(Numbers rounded in thousands)

Region and State	Year		Change 1970-80	
	1970	1980	Number	Percent
NEW ENGLAND				
Connecticut	1,197.5	1,403.4	205.9	17.2
Maine	322.2	422.4	100.2	31.1
Massachusetts	2,261.2	2,673.3	412.1	18.2
New Hampshire	259.9	386.8	126.9	48.8
Rhode Island	344.1	394.9	50.8	14.8
Vermont	147.9	201.6	53.7	36.3
Total or Average	4,532.8	5,482.4	949.6	20.9
MID-ATLANTIC				
Delaware	213.1	256.7	43.6	20.5
Maryland	1,300.7	1,687.5	386.8	29.7
New Jersey	2,608.6	3,042.8	434.2	16.6
New York	7,154.8	7,154.3	-0.5	-0.0
Pennsylvania	4,347.3	4,712.1	364.8	8.4
Total or Average	15,624.5	16,853.4	1,228.9	7.9
MIDWEST				
Illinois	4,328.6	4,799.1	470.5	10.9
Indiana	1,849.0	2,235.6	386.6	20.9
Iowa	882.8	1,107.6	224.8	25.5
Michigan	3,004.9	3,453.4	448.5	14.9
Minnesota	1,317.2	1,796.0	478.8	36.3
Ohio	3,880.7	4,413.6	532.9	13.7
Wisconsin	1,530.4	2,004.3	473.9	31.0
Total or Average	16,793.6	19,809.6	3,016.0	18.0
SOUTH				
Alabama	1,010.4	1,334.4	324.0	32.1
Arkansas	534.3	760.7	226.4	42.4
District of Columbia	685.9	617.5	-68.4	-10.0
Florida	2,152.1	3,503.8	1,351.7	62.8
Georgia	1,557.5	2,141.0	583.5	37.5
Kentucky	910.1	1,200.8	290.7	31.9
Louisiana	1,041.6	1,556.7	515.1	49.5
Mississippi	577.2	824.0	246.8	42.8
North Carolina	1,782.7	2,430.0	647.3	36.3
Oklahoma	769.5	1,143.9	374.4	48.7
South Carolina	842.0	1,180.6	338.6	40.2
Tennessee	1,327.6	1,767.8	440.2	33.2
Texas	3,636.3	5,857.4	2,221.1	61.1
Virginia	1,519.6	2,136.2	616.6	40.6
West Virginia	516.7	630.9	114.2	22.1
Total or Average	18,863.5	27,085.7	8,222.2	43.6

APPENDIX G
(continued)

Region and State	Year 1970	Year 1980	Change 1970-80 Number	Change 1970-80 Percent
WEST				
Alaska	93.1	178.1	85.0	91.3
Arizona	547.4	981.9	434.5	79.4
California	6,947.7	9,760.3	2,812.6	40.5
Colorado	742.7	1,254.1	511.4	68.9
Hawaii	293.7	392.1	98.4	33.5
Idaho	207.8	336.7	128.9	62.0
Kansas	667.0	949.6	282.6	42.4
Missouri	1,662.0	1,986.7	324.7	19.5
Montana	201.4	286.3	84.9	42.2
Nebraska	482.1	631.5	149.4	31.0
Nevada	203.0	403.7	200.7	98.9
New Mexico	292.7	476.6	183.9	62.8
North Dakota	163.2	249.1	85.9	52.6
Oregon	709.2	1,033.6	324.4	45.7
South Dakota	175.0	240.6	65.6	37.5
Utah	358.7	566.2	207.5	57.8
Washington	1,080.0	1,620.4	540.4	50.0
Wyoming	109.0	224.3	115.3	105.8
Total or Average	14,935.7	21,571.8	6,636.1	44.4
NORTHEAST	20,157.3	22,335.8	2,178.5	10.8
MIDWEST	16,793.6	19,809.6	3,016.0	17.7
NORTHEAST AND MIDWEST	36,950.9	42,145.4	5,194.5	14.1
SOUTH	18,863.5	27,085.7	8,222.2	43.6
WEST	14,935.7	21,571.8	6,636.1	44.4
SOUTH AND WEST	33,799.2	48,657.5	14,858.3	44.0
UNITED STATES	70,750.1	90,802.9	20,052.8	28.3

SOURCE: Staff calculations from the U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, December 1980: States and Areas, Vol. 27, No. 8 (Washington, D.C.: Government Printing Office, 1980), p. 12. 1980 figures reflect September employment statistics.

APPENDIX H

MANUFACTURING EMPLOYMENT CHANGE: 1970-80, BY REGION AND STATE
(Numbers rounded in thousands)

Region and State	Year		Change 1970-80	
	1970	1980	Number	Percent
NEW ENGLAND				
Connecticut	443.7	426.7	-17.0	-3.8
Maine	110.4	114.4	4.0	3.6
Massachusetts	648.3	660.4	12.1	1.9
New Hampshire	91.8	115.2	23.4	25.5
Rhode Island	120.9	126.8	5.9	4.9
Vermont	40.5	50.3	9.8	24.2
Total or Average	1,455.6	1,498.8	38.2	2.6
MID-ATLANTIC				
Delaware	71.2	72.0	0.8	1.1
Maryland	271.1	235.4	-35.7	-13.2
New Jersey	863.0	777.3	-85.7	-9.9
New York	1,760.6	1,462.0	-298.6	-17.0
Pennsylvania	1,523.4	1,308.0	-215.4	-14.1
Total or Average	4,489.3	3,854.7	-634.6	-14.1
MIDWEST				
Illinois	1,342.1	1,190.4	-151.7	-11.3
Indiana	710.2	682.1	-28.1	-4.0
Iowa	215.5	235.0	19.5	9.1
Michigan	1,071.5	979.9	-91.6	-8.6
Minnesota	319.4	380.4	61.0	19.1
Ohio	1,407.4	1,252.7	-154.7	-11.0
Wisconsin	500.9	565.6	64.7	12.9
Total or Average	5,567.0	5,286.1	-280.9	-5.0
SOUTH				
Alabama	323.8	351.4	27.6	8.5
Arkansas	167.8	208.5	40.7	24.3
District of Columbia	18.6	15.7	-2.9	-15.6
Florida	321.6	438.2	116.6	36.3
Georgia	465.6	514.3	48.7	10.5
Kentucky	252.9	265.6	12.7	5.0
Louisiana	175.4	212.5	37.1	21.2
Mississippi	181.7	218.0	36.3	20.0
North Carolina	718.4	811.8	93.4	13.0
Oklahoma	133.9	183.9	50.0	37.3
South Carolina	340.0	385.7	45.7	13.4
Tennessee	464.6	510.5	45.9	9.9
Texas	740.9	1,044.9	304.0	41.0
Virginia	365.2	410.6	45.4	12.4
West Virginia	126.5	116.3	-10.2	-8.1
Total or Average	4,796.9	5,687.9	891.0	18.6

APPENDIX H
(continued)

Region and State	Year 1970	Year 1980	Change 1970-80 Number	Change 1970-80 Percent
WEST				
Alaska	8.6	14.9	6.3	73.3
Arizona	91.2	150.7	59.5	65.2
California	1,558.0	2,002.7	444.7	28.5
Colorado	117.5	183.8	66.3	56.4
Hawaii	25.6	22.7	-2.9	-11.3
Idaho	40.3	56.2	15.9	39.5
Kansas	134.5	181.5	47.0	34.9
Missouri	446.1	427.3	-18.8	-4.2
Montana	23.9	24.2	0.3	1.3
Nebraska	85.0	94.5	9.5	11.2
Nevada	8.4	19.7	11.3	134.5
New Mexico	21.0	35.0	14.0	66.7
North Dakota	9.9	14.8	4.9	49.5
Oregon	172.3	217.6	45.3	26.3
South Dakota	15.8	24.6	8.8	55.7
Utah	55.1	92.0	36.9	67.0
Washington	239.4	304.7	65.3	27.3
Wyoming	7.4	11.7	4.3	58.1
Total or Average	3,060.0	3,878.6	818.6	26.8
NORTHEAST	5,944.9	5,348.5	-596.4	-10.0
MIDWEST	5,567.0	5,286.1	-280.9	-5.0
NORTHEAST AND MIDWEST	11,511.9	10,634.6	-877.3	-7.6
SOUTH	4,796.9	5,687.9	891.0	18.6
WEST	3,060.0	3,878.6	818.6	26.8
SOUTH AND WEST	7,856.9	9,566.5	1,709.6	21.8
UNITED STATES	19,368.8	20,201.2	832.3	4.3

SOURCE: Staff calculations from the U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, August, 1980: States and Areas, Vol. 27, No. 8 (Washington, D.C.: Government Printing Office, August 1980).

APPENDIX I

SERVICES EMPLOYMENT CHANGE: 1970-80, BY REGION AND STATE
(Numbers rounded in thousands)

Region and State	Year		Change 1970-80	
	1970	1980	Number	Percent
NEW ENGLAND				
Connecticut	185.0	279.3	94.3	51.0
Maine	42.9	79.5	36.6	85.3
Massachusetts	451.2	659.3	208.1	46.1
New Hampshire	44.8	71.2	26.4	58.9
Rhode Island	54.9	82.6	27.7	50.5
Vermont	28.4	44.4	16.0	56.3
Total or Average	807.2	1,216.3	409.1	50.7
MID-ATLANTIC				
Delaware	30.6	46.6	16.0	52.3
Maryland	236.7	365.9	129.2	54.6
New Jersey	410.4	611.0	200.6	48.9
New York	1,360.0	1,690.4	330.4	24.3
Pennsylvania	685.1	997.0	311.9	45.5
Total or Average	2,722.8	3,710.9	988.1	36.3
MIDWEST				
Illinois	681.1	933.7	252.6	37.1
Indiana	219.7	352.1	132.4	60.3
Iowa	146.7	211.6	64.9	44.2
Michigan	424.8	656.8	232.0	54.6
Minnesota	217.9	377.3	159.4	73.2
Ohio	572.7	851.1	278.4	48.6
Wisconsin	230.7	385.2	154.5	67.0
Total or Average	2,493.6	3,767.8	1,274.2	51.1
SOUTH				
Alabama	131.8	201.7	69.9	53.0
Arkansas	73.4	119.1	45.7	62.3
District of Columbia	135.6	178.5	42.9	31.6
Florida	400.2	775.5	375.3	93.8
Georgia	189.7	343.2	153.5	80.9
Kentucky	134.4	175.5	41.1	30.6
Louisiana	157.2	261.7	104.5	66.5
Mississippi	68.1	120.1	52.0	76.4
North Carolina	213.6	356.9	143.3	67.1
Oklahoma	115.9	204.7	88.8	76.6
South Carolina	89.8	159.7	69.9	77.8
Tennessee	185.1	301.8	116.7	63.0
Texas	586.2	1,006.8	420.6	71.8
Virginia	220.0	392.2	172.2	78.3
West Virginia	66.8	97.8	31.0	46.4
Total or Average	2,767.8	4,695.2	1,927.4	69.6

APPENDIX I
(continued)

Region and State	Year 1970	Year 1980	Change 1970-80 Number	Change 1970-80 Percent
WEST				
Alaska	11.6	31.7	20.1	173.3
Arizona	91.5	197.7	106.2	116.1
California	1,266.2	2,132.5	866.3	68.4
Colorado	130.3	279.3	149.0	114.4
Hawaii	57.2	104.0	46.8	81.8
Idaho	32.4	62.2	29.8	92.0
Kansas	103.0	213.0	110.0	106.8
Missouri	260.1	397.8	137.7	52.9
Montana	33.7	57.1	23.4	69.4
Nebraska	82.9	120.5	37.6	45.4
Nevada	80.5	170.5	90.0	111.8
New Mexico	53.9	92.3	38.4	71.2
North Dakota	29.6	50.7	21.1	71.3
Oregon	112.7	184.1	71.4	63.4
South Dakota	33.4	50.3	16.9	50.6
Utah	58.1	103.6	45.5	78.3
Washington	169.7	318.5	148.8	87.7
Wyoming	16.2	32.8	16.6	102.5
Total or Average	2,623.0	4,598.6	1,975.6	75.3
NORTHEAST	3,530.0	4,927.2	1,397.2	39.6
MIDWEST	2,493.6	3,767.8	1,274.2	51.1
NORTHEAST AND MIDWEST	6,023.6	8,695.0	2,671.4	44.3
SOUTH	2,767.8	4,695.2	1,927.4	69.6
WEST	2,623.0	4,598.6	1,975.6	75.3
SOUTH AND WEST	5,390.8	9,293.8	3,903.0	72.4
UNITED STATES	11,414.4	17,988.8	6,574.4	57.6

SOURCE: Staff calculations from the U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, December 1980: States and Areas, Vol 27, No. 12 (Washington, D.C.: Government Printing Office, December 1980). 1980 figures reflect September employment statistics.

APPENDIX J

LABOR FORCE AND UNEMPLOYMENT: 1980, BY REGION AND STATE
(Numbers rounded in thousands)

Region and State	Labor Force	Unemployment	
		Number	Percent
NEW ENGLAND			
Connecticut	1,614.2	80.8	5.0
Maine	496.8	35.2	7.1
Massachusetts	2,870.0	167.8	5.8
New Hampshire	464.3	19.1	4.1
Rhode Island	455.3	29.4	6.5
Vermont	237.5	13.4	5.6
Total or Average	6,128.1	345.7	5.6
MID-ATLANTIC			
Delaware	281.7	16.8	6.0
Maryland	2,140.2	130.9	6.1
New Jersey	3,522.8	289.4	8.1
New York	7,913.6	586.7	7.4
Pennsylvania	5,300.9	381.8	7.2
Total or Average	19,159.2	1,405.6	7.3
MIDWEST			
Illinois	5,422.7	396.0	7.3
Indiana	2,667.7	278.9	10.5
Iowa	1,487.4	84.0	5.6
Michigan	4,321.4	607.1	14.0
Minnesota	2,159.4	117.5	5.4
Ohio	5,034.8	438.9	8.7
Wisconsin	2,431.4	170.0	7.0
Total or Average	23,524.8	2,092.4	8.9
SOUTH			
Alabama	1,639.5	135.3	8.3
Arkansas	981.3	69.9	7.1
District of Columbia	317.3	19.6	6.2
Florida	3,907.7	206.5	5.3
Georgia	2,406.2	154.3	6.4
Kentucky	1,581.6	101.5	6.4
Louisiana	1,724.5	125.6	7.3
Mississippi	1,032.4	70.8	6.9
North Carolina	2,765.6	167.0	6.0
Oklanoma	1,327.0	54.2	4.1
South Carolina	1,280.6	83.5	6.5
Tennessee	2,003.4	135.1	6.7
Texas	6,281.8	314.5	5.0
Virginia	2,524.2	119.3	4.7
West Virginia	755.5	64.1	8.5
Total or Average	30,528.6	1,821.2	6.0

APPENDIX J
(continued)

Region and State	Labor Force	Unemployment	
		Number	Percent
WEST			
Alaska	188.5	17.8	9.4
Arizona	1,105.7	68.9	6.2
California	11,064.6	734.9	6.6
Colorado	1,443.7	75.4	5.2
Hawaii	399.7	17.4	4.4
Idaho	431.0	33.8	7.9
Kansas	1,222.4	52.0	4.3
Missouri	2,351.6	157.9	6.7
Montana	378.3	19.0	5.0
Nebraska	801.1	27.7	3.5
Nevada	372.7	20.1	5.4
New Mexico	549.8	37.7	6.9
North Dakota	324.7	13.0	4.0
Oregon	1,252.0	104.0	8.3
South Dakota	346.9	12.6	3.6
Utah	608.0	32.2	5.3
Washington	1,936.4	144.6	7.5
Wyoming	235.1	7.9	3.3
Total or Average	25,012.2	1,576.9	6.3
NORTHEAST	25,287.3	1,751.3	6.9
MIDWEST	23,524.8	2,092.4	8.9
NORTHEAST AND MIDWEST	48,812.1	3,843.7	7.9
SOUTH	30,528.6	1,821.2	6.0
WEST	25,012.2	1,576.9	6.3
SOUTH AND WEST	55,540.8	3,398.1	6.1
UNITED STATES	104,352.9	7,241.8	6.9

SOURCE: Staff calculations are from the U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, August 1980: States and Areas, Vol. 27, No. 8 (Washington, D.C.: Government Printing Office, August 1980).

APPENDIX K

TOTAL HOUSING STARTS AND JOBS LOST: 1978-80
BY REGION AND STATE
(in thousands of units)

Region and State	Year 1978	Year 1980	Change 1978-80 Number	Change 1978-80 Percent	Number of Jobs Lost
NEW ENGLAND					
Connecticut	15.4	7.8	-7.6	-49.4	12.1
Maine	7.9	3.0	-4.9	-62.0	7.7
Massachusetts	20.9	10.9	-10.0	-47.9	15.5
New Hampshire	8.5	4.5	-4.0	-47.1	6.9
Rhode Island	5.1	2.8	-2.3	-45.1	3.3
Vermont	5.5	2.9	-2.6	-47.3	4.0
Total or Average	63.3	31.9	-31.4	-49.6	49.5
MID-ATLANTIC					
Delaware	2.9	1.5	-1.4	-48.3	2.6
Maryland	28.9	15.0	-13.9	-48.1	21.1
New Jersey	36.5	18.3	-18.2	-49.9	28.5
New York	42.8	20.8	-22.0	-51.4	30.7
Pennsylvania	58.3	25.5	-32.8	-56.3	50.2
Total or Average	169.4	81.1	-88.3	-52.1	133.1
MIDWEST					
Illinois	79.8	29.8	-50.0	-62.7	78.9
Indiana	41.5	20.1	-21.4	-51.6	36.9
Iowa	23.4	9.8	-13.6	-58.1	22.3
Michigan	63.9	28.5	-35.4	-55.4	57.6
Minnesota	42.3	18.0	-24.3	-57.4	40.9
Ohio	66.1	33.5	-32.6	-49.3	51.2
Wisconsin	41.6	16.0	-25.6	-61.5	41.7
Total or Average	358.6	155.7	-202.9	-56.6	329.5
SOUTH					
Alabama	32.6	17.2	-15.4	-47.2	25.5
Arkansas	13.6	7.1	-6.5	-47.8	10.9
District of Columbia	3.4	1.5	-1.9	-55.9	3.0
Florida	173.0	119.9	-53.1	-30.7	87.2
Georgia	47.4	32.1	-15.3	-32.3	28.1
Kentucky	26.3	13.5	-12.8	-48.7	21.3
Louisiana	41.4	19.5	-21.9	-52.9	35.5
Mississippi	20.1	9.6	-10.5	-52.2	17.9
North Carolina	66.3	34.1	-32.2	-48.6	58.2
Oklahoma	29.0	14.1	-14.9	-51.4	25.2
South Carolina	30.8	17.2	-13.6	-44.2	23.0
Tennessee	39.3	19.0	-20.3	-51.7	32.1
Texas	209.2	115.4	-93.8	-44.8	148.4
Virginia	49.8	25.3	-24.5	-49.2	40.2
West Virginia	9.1	5.1	-4.0	-44.0	6.9
Total or Average	791.3	450.6	-340.7	-43.1	563.4

APPENDIX K
(continued)

Region and State	Year 1978	Year 1980	Change 1978-80 Number	Change 1978-80 Percent	Number of Jobs Lost
WEST					
Alaska	10.0	2.8	-7.2	-72.0	11.6
Arizona	61.2	29.7	-31.5	-51.5	52.3
California	231.6	110.4	-121.2	-52.3	178.2
Colorado	44.1	19.3	-24.8	-56.2	39.9
Hawaii	8.9	5.3	-3.6	-40.4	5.4
Idaho	13.8	5.8	-8.0	58.0	14.3
Kansas	19.7	8.8	-10.9	-55.3	17.7
Missouri	38.6	14.2	-24.4	-63.2	40.9
Montana	8.2	2.6	-5.6	-68.3	8.8
Nebraska	14.3	6.1	-8.2	-57.3	13.8
Nevada	25.4	10.7	-14.7	-57.9	21.4
New Mexico	14.5	6.9	-7.6	-52.4	12.4
North Dakota	9.4	3.9	-5.5	-58.5	8.7
Oregon	41.4	17.7	-23.7	-57.2	36.9
South Dakota	9.3	4.0	-5.3	-57.0	9.2
Utah	21.1	8.8	-12.3	-58.3	19.5
Washington	58.7	28.6	-30.1	-51.3	46.4
Wyoming	7.2	4.2	-3.0	-41.7	5.3
Total or Average	637.4	289.8	-347.6	-54.5	542.7
NORTHEAST	232.7	113.0	-119.7	51.4	182.6
MIDWEST	358.6	155.7	-202.9	-56.6	329.5
NORTHEAST AND MIDWEST	591.3	268.7	-322.6	54.6	512.1
SOUTH	791.3	450.6	-340.7	-43.1	563.4
WEST	637.4	289.8	-347.6	-54.5	542.7
SOUTH AND WEST	1,428.7	740.4	-688.3	-48.2	1,106.1
UNITED STATES[a/]	2,021.0	1,009.1	-1,011.9	-50.1	1,615.4

a/ Components do not add to totals due to rounding.

SOURCE: Staff calculations are from the National Association of Home Builders, NAHB Econometric Forecasting Service, Total Housing Starts 1978-1980 and Jobs Lost by Region and State (Washington, D.C.: National Association of Home Builders, March 1980).

APPENDIX L

INVESTMENT IN NEW CAPITAL EQUIPMENT: 1970-77, BY REGION AND STATE
(in millions of dollars)

Region and State	Year		Change 1970-77	
	1970	1977	Number	Percent
NEW ENGLAND				
Connecticut	343.2	570.7	227.5	66.3
Maine	140.2	223.3	83.1	59.3
Massachusetts	618.1	978.3	360.2	58.3
New Hampshire	73.2	160.9	87.7	119.8
Rhode Island	72.7	160.1	87.4	120.2
Vermont	67.1	93.3	26.2	39.1
Total or Average	1,314.5	2,186.6	872.1	66.3
MID-ATLANTIC				
Delaware	67.5	154.0	86.5	128.2
Maryland	384.4	517.4	133.0	34.6
New Jersey	902.3	1,489.9	587.6	65.1
New York	1,519.0	2,715.6	1,196.6	78.8
Pennsylvania	1,472.8	2,103.2	630.4	42.8
Total or Average	4,346.0	6,980.1	2,634.1	60.6
MIDWEST				
Illinois	1,515.4	2,685.0	1,169.6	77.2
Indiana	1,016.2	2,130.0	1,113.8	109.6
Iowa	281.5	689.4	407.9	144.9
Michigan	1,300.7	3,698.7	2,398.0	184.4
Minnesota	316.4	578.9	262.5	83.0
Ohio	1,705.7	2,789.6	1,083.9	63.6
Wisconsin	468.1	1,189.2	721.1	154.1
Total or Average	6,604.0	13,760.8	7,156.8	108.4
SOUTH				
Alabama	417.2	1,338.7	921.5	220.9
Arkansas	210.8	467.2	256.4	121.6
District of Columbia	19.1	31.1	12.0	62.8
Florida	377.8	752.0	374.2	99.1
Georgia	453.3	1,146.0	692.7	152.8
Kentucky	308.6	713.7	405.1	131.3
Louisiana	470.6	2,061.0	1,590.4	338.0
Mississippi	274.7	467.6	192.9	70.2
North Carolina	714.0	1,349.7	635.7	89.0
Oklahoma	146.1	497.7	351.6	240.7
South Carolina	370.5	792.7	422.2	114.0
Tennessee	507.7	963.2	455.5	89.7
Texas	1,619.1	5,310.5	3,691.4	243.0
Virginia	394.4	955.9	561.5	142.4
West Virginia	251.9	370.1	118.2	46.9
Total or Average	6,535.8	17,217.1	10,681.3	163.4

APPENDIX L
(continued)

Region and State	Year 1970	Year 1977	Change 1970-77 Number	Change 1970-77 Percent
WEST				
Alaska	23.4	179.0	155.6	665.0
Arizona	116.5	220.4	103.9	89.2
California	1,567.4	3,470.0	1,902.6	121.4
Colorado	222.9	447.4	224.5	100.7
Hawaii	40.5	53.0	12.5	30.9
Idaho	53.2	154.5	101.3	190.4
Kansas	138.7	349.3	210.6	151.8
Missouri	379.4	885.8	506.4	133.5
Montana	42.3	97.5	55.2	130.5
Nebraska	83.0	176.5	93.5	112.7
Nevada	13.0	47.2	34.2	263.1
New Mexico	12.2	100.8	88.6	726.2
North Dakota	10.1	52.9	42.8	423.8
Oregon	226.1	584.9	358.8	158.7
South Dakota	12.3	36.0	23.7	192.7
Utah	58.3	395.8	337.5	578.9
Washington	311.0	980.5	669.5	215.3
Wyoming	4.7	51.7	47.0	1,000.0
Total or Average	3,315.0	8,283.2	4,968.2	149.9
NORTHEAST	5,660.5	9,166.7	3,506.2	61.9
MIDWEST	6,604.0	13,760.8	7,156.8	108.4
NORTHEAST AND MIDWEST	12,264.5	22,927.5	10,663.0	86.9
SOUTH	6,535.8	17,217.1	10,681.3	163.4
WEST	3,315.0	8,283.2	4,968.2	149.9
SOUTH AND WEST	9,850.8	25,500.3	15,649.5	158.9
UNITED STATES	22,164.3	48,427.8	26,263.5	118.5

SOURCE: Staff calculations from the U.S. Department of Commerce, Bureau of the Census, 1971 and 1977 Census of Manufactures (Washington, D.C.: Government Printing Office, December 1979), p. 3.

APPENDIX M

INVESTMENT IN NONRESIDENTIAL STRUCTURES: 1970-79, BY REGION AND STATE
(in millions of dollars)

Region and State	Year		Change 1970-79	
	1970	1979	Number	Percent
NEW ENGLAND				
Connecticut	240.2	493.0	252.8	105.3
Maine	36.4	82.8	46.4	127.5
Massachusetts	583.6	729.7	146.1	25.0
New Hampshire	40.8	87.8	47.0	115.2
Rhode Island	61.4	69.2	7.8	12.7
Vermont	16.3	17.0	0.7	4.3
Total or Average	978.7	1,479.5	500.8	51.2
MID-ATLANTIC				
Delaware	30.8	53.0	22.2	72.1
Maryland	305.0	645.7	340.7	111.7
New Jersey	486.0	746.8	260.8	53.7
New York	932.2	838.8	-93.4	-10.0
Pennsylvania	416.0	777.7	361.7	87.0
Total or Average	2,170.0	3,062.0	892.0	41.1
MIDWEST				
Illinois	657.1	1,521.7	864.6	131.6
Indiana	198.6	632.3	433.7	218.4
Iowa	105.2	361.9	256.7	244.0
Michigan	478.1	1,181.8	703.7	147.2
Minnesota	245.8	769.0	523.2	212.9
Ohio	529.7	1,471.3	941.6	177.8
Wisconsin	197.1	573.5	376.4	191.0
Total or Average	2,411.6	6,511.5	4,099.9	170.0
SOUTH				
Alabama	121.7	453.7	332.0	272.8
Arkansas	37.0	195.7	158.7	428.9
District of Columbia	82.3	144.0	61.7	75.0
Florida	623.0	1,754.8	1,131.8	181.7
Georgia	338.4	822.6	484.2	143.1
Kentucky	128.4	230.6	102.2	79.6
Louisiana	244.6	561.4	316.8	129.5
Mississippi	61.8	115.2	53.4	86.4
North Carolina	198.6	554.4	355.8	179.2
Oklahoma	172.8	469.4	296.6	171.6
South Carolina	73.4	275.8	202.4	275.7
Tennessee	253.7	523.6	264.9	106.4
Texas	900.3	3,635.7	2,735.4	303.8
Virginia	339.9	1,087.0	747.1	219.8
West Virginia	22.4	69.6	47.2	210.7
Total or Average	3,598.3	10,893.5	7,295.2	202.7

Region and State	Year 1970	Year 1979	Change 1970-79 Number	Change 1970-79 Percent
WEST				
Alaska	15.0	61.5	46.5	3.1
Arizona	170.5	754.9	584.4	342.8
California	1,973.6	6,461.3	4,487.7	227.4
Colorado	194.2	699.3	505.1	260.1
Hawaii	112.1	253.5	141.4	126.1
Idaho	29.8	114.0	84.2	282.6
Kansas	87.1	377.6	290.5	333.5
Missouri	276.4	596.3	319.9	115.7
Montana	19.8	83.0	63.2	319.2
Nebraska	63.8	169.9	106.1	166.3
Nevada	80.6	363.3	282.7	350.7
New Mexico	44.1	185.5	141.4	320.6
North Dakota	19.7	109.2	89.5	454.3
Oregon	101.4	483.9	382.5	377.2
South Dakota	26.3	101.3	75.0	285.2
Utah	78.7	368.0	289.3	367.6
Washington	213.1	1,145.1	932.0	437.4
Wyoming	6.4	86.0	79.6	1,243.8
Total or Average	3,512.6	12,413.6	8,901.0	253.4
NORTHEAST	3,148.7	4,541.5	1,392.8	44.2
MIDWEST	2,411.6	6,511.5	4,099.9	170.0
NORTHEAST AND MIDWEST	5,560.3	11,053.0	5,492.7	98.8
SOUTH	3,598.3	10,893.5	7,295.2	202.7
WEST	3,512.6	12,413.6	8,901.0	253.4
SOUTH AND WEST	7,110.9	23,307.1	16,196.2	227.7
UNITED STATES	12,671.2	34,360.1	21,688.9	171.2

SOURCE: Staff calculations from "Total Private Nonresidential Construction Authorized in 3,014 Permit-Issuing Places in the United States: Valuation by State," Construction Review, July 1980, pp. 39-40.

APPENDIX N

AVERAGE UNEMPLOYMENT PAYROLL TAX RATES AS A PERCENT OF TAXABLE AND TOTAL WAGES: 1976-78 BY REGION AND STATE

	Taxable Rates			Total Rates		
	1976	1977	1978	1976	1977	1978
NEW ENGLAND						
Connecticut	3.0	3.0	2.3	1.5	1.5	1.4
Maine	3.2	3.5	3.2	1.6	1.7	1.9
Massachusetts	4.3	4.2	3.5	1.8	1.7	1.7
New Hampshire	2.6	1.9	2.1	1.3	0.9	1.2
Rhode Island	4.0	3.9	2.9	2.0	1.9	1.6
Vermont	2.3	2.9	3.3	1.1	1.7	1.8
Total or Average	3.2	3.2	2.8	1.6	1.6	1.6
MID-ATLANTIC						
Delaware	2.8	2.9	2.9	1.0	0.9	1.3
Maryland	2.2	3.4	3.3	0.9	1.4	1.6
New Jersey	3.4	3.7	3.7	1.6	1.7	1.8
New York	3.4	3.5	3.4	1.3	1.2	1.5
Pennsylvania	2.9	3.3	3.2	1.2	1.2	1.5
Total or Average	2.9	3.4	3.3	1.2	1.3	1.5
MIDWEST						
Illinois	2.0	3.0	3.3	0.8	1.1	1.4
Indiana	1.9	1.9	1.7	0.8	0.7	0.8
Iowa	2.2	2.3	2.9	1.2	1.2	1.5
Michigan	3.6	4.1	4.1	1.5	1.6	1.7
Minnesota	1.9	2.4	2.5	1.0	1.3	1.4
Ohio	2.3	2.9	2.8	0.9	1.0	1.3
Wisconsin	2.7	3.3	3.5	1.4	1.6	1.6
Total or Average	2.4	2.8	3.0	1.1	1.2	1.4
SOUTH						
Alabama	2.4	2.1	3.0	1.2	1.0	1.7
Arkansas	2.2	2.3	2.2	1.2	1.3	1.3
District of Col.	2.7	2.7	2.7	1.0	1.0	1.2
Florida	2.1	2.7	2.7	1.0	1.0	1.2
Georgia	1.4	1.8	2.0	0.8	1.0	1.1
Kentucky	2.6	2.8	2.4	1.2	1.2	1.2
Louisiana	2.5	2.1	1.7	1.7	0.8	0.9
Mississippi	1.8	2.5	2.5	0.9	1.2	1.5
North Carolina	1.4	2.0	2.1	0.7	0.9	1.2
Oklahoma	1.7	2.4	2.3	0.8	0.6	1.2
South Carolina	2.2	2.2	2.0	1.1	1.0	1.2
Tennessee	1.6	1.7	2.1	0.8	0.9	1.4
Texas	0.7	0.9	0.8	0.3	0.4	0.4

	Taxable Rates			Total Rates		
	1976	1977	1978	1976	1977	1978
SOUTH (continued)						
Virginia	1.1	1.5	1.1	0.8	0.8	1.1
West Virginia	2.0	2.1	2.2	0.8	0.8	1.1
Total or Average	1.9	2.1	2.1	1.0	1.1	1.2
WEST						
Alaska	4.3	4.3	5.0	2.3	2.5	2.6
Arizona	1.5	2.5	2.5	0.8	1.3	1.3
California	3.5	3.5	3.5	2.0	1.9	1.7
Colorado	1.8	2.5	1.5	0.8	1.1	0.8
Hawaii	2.9	3.2	3.5	1.9	2.4	2.4
Idaho	1.7	2.1	2.3	1.2	1.5	1.6
Kansas	2.1	2.2	2.1	1.0	1.0	1.1
Missouri	2.7	2.6	2.5	1.2	1.0	1.2
Montana	2.3	3.1	3.1	1.2	1.5	1.7
Nebraska	2.8	2.0	1.4	1.3	0.9	0.8
Nevada	3.2	3.2	3.1	1.9	1.9	1.9
New Mexico	1.9	1.8	1.8	0.9	1.1	1.0
North Dakota	2.0	3.0	2.2	0.9	1.3	1.2
Oregon	3.3	3.3	3.4	2.0	2.0	2.0
South Dakota	.94	1.0	1.2	0.5	0.5	0.6
Utah	1.8	1.8	1.7	1.0	1.5	1.2
Washington	3.0	3.0	3.3	1.8	1.8	1.9
Wyoming	2.0	2.4	2.0	0.9	1.1	1.0
Total or Average	2.4	2.6	2.6	1.3	1.5	1.4
NORTHEAST	3.1	3.3	3.1	1.4	1.4	1.6
MIDWEST	2.4	2.8	3.0	1.1	1.2	1.4
NORTHEAST AND MIDWEST	2.8	3.1	3.1	1.3	1.3	1.5
SOUTH	1.9	2.1	2.1	0.9	1.1	1.2
WEST	2.4	2.6	2.6	1.3	1.5	1.4
SOUTH AND WEST	2.2	2.4	2.4	1.1	1.3	1.3
UNITED STATES	2.5	2.8	2.8	1.2	1.3	1.4

SOURCE: Staff calculations are from the Northeast-Midwest Institute, The Crisis in Unemployment Insurance: A Regional Analysis. (Washington, D.C.: Northeast-Midwest Institute, August 1978), p. 17, and the U.S. Department of Labor, Employment and Training Administration, "Unemployment Insurance Program Letter No. 41-80, July 31, 1980," p. 3.

APPENDIX O
CONSUMPTION OF ENERGY BY END-USE SECTOR: 1978,
BY REGION AND STATE[a]/
(in trillions of BTUs)

Region and State	Residential	Commercial	Industrial	Trans-portation	Total Energy Consumed
NEW ENGLAND					
Connecticut	232.4	151.1	201.3	205.0	789.8
Maine	87.8	66.4	111.4	99.8	365.4
Massachusetts	402.8	448.6	237.6	385.6	1,474.6
New Hampshire	69.8	41.2	62.4	64.4	237.8
Rhode Island	64.3	58.7	40.7	54.3	218.0
Vermont	38.9	26.7	34.6	38.0	138.1
Total	896.0	792.7	688.0	847.1	3,223.7
Average	149.3	132.1	114.7	141.2	537.3
MID-ATLANTIC					
Delaware	40.4	35.0	70.0	56.8	202.2
Maryland	247.3	212.5	367.6	328.2	1,155.6
New Jersey	477.1	462.0	451.4	571.5	1,962.0
New York	1,116.5	1,029.1	840.0	1,076.8	4,062.5
Pennsylvania	938.8	654.9	1,868.6	863.0	4,325.3
Total	2,820.1	2,393.5	3,597.6	2,896.3	11,707.5
Average	564.0	478.7	719.5	579.3	2,341.5
MIDWEST					
Illinois	1,058.3	834.8	1,359.7	963.2	4,216.0
Indiana	527.6	321.0	1,272.1	463.8	2,584.5
Iowa	269.0	165.3	395.8	259.2	1,089.2
Michigan	743.4	458.2	1,093.2	726.2	3,020.9
Minnesota	346.0	230.4	483.2	346.7	1,406.2
Ohio	945.0	583.4	1,918.2	834.9	4,281.5
Wisconsin	424.4	264.8	508.6	358.6	1,556.4
Total	4,313.7	2,857.9	7,030.8	3,952.6	18,154.7
Average	616.2	408.3	1,004.4	564.7	2,593.5
SOUTH					
Alabama	284.6	168.9	803.9	410.4	1,667.8
Arkansas	193.2	159.7	356.7	230.3	940.0
District of Columbia	43.2	46.8	38.6	34.9	163.5
Florida	587.5	403.2	544.6	875.0	2,410.3
Georgia	363.1	261.6	511.9	544.5	1,681.1
Kentucky	240.4	176.2	463.6	332.7	1,212.9
Louisiana	285.9	253.1	2,158.7	597.8	3,295.5
Mississippi	168.4	117.3	287.5	258.9	832.1
North Carolina	388.8	239.7	571.6	483.9	1,684.0
Oklahoma	262.5	195.6	528.9	319.5	1,306.5
South Carolina	202.9	146.7	394.0	267.7	1,011.3
Tennessee	391.3	225.6	746.5	439.8	1,803.2
Texas	1,004.0	764.8	3,763.3	1,839.2	7,371.3
Virginia	342.5	286.7	372.9	515.3	1,517.4
West Virginia	140.5	81.4	411.5	153.4	786.8
Total	4,898.8	3,527.3	11,954.2	7,303.3	27,683.7
Average	326.6	235.2	796.9	486.9	1,845.6

APPENDIX O
(continued)

Region and State	Residential	Commercial	Industrial	Trans-portation	Total Energy Consumed
WEST					
Alaska	32.0	50.1	135.4	98.6	316.0
Arizona	136.9	151.1	224.1	268.3	780.4
California	1,173.3	1,099.9	1,676.9	2,404.7	6,354.7
Colorado	196.2	191.2	277.2	277.0	941.5
Hawaii	26.1	18.9	61.3	147.2	253.5
Idaho	86.0	75.3	140.1	93.8	395.2
Kansas	218.6	180.2	395.0	288.1	1,081.9
Missouri	441.8	320.4	409.2	465.8	1,637.2
Montana	73.9	59.0	149.2	97.1	379.2
Nebraska	146.0	114.5	191.6	171.7	623.9
Nevada	53.4	58.6	66.8	111.8	290.6
New Mexico	65.2	79.4	165.2	174.5	484.3
North Dakota	59.4	41.6	83.9	73.5	258.4
Oregon	185.8	164.7	290.3	263.2	904.0
Soutn Dakota	66.6	34.0	71.5	69.6	241.6
Utah	92.0	75.5	223.4	128.4	519.4
Washington	314.3	221.2	578.8	409.0	1,523.3
Wyoming	38.9	51.6	198.1	84.7	373.4
Total	3,406.4	2,987.2	5,338.0	5,627.0	17,358.5
Average	189.2	166.0	296.6	312.6	964.4
NORTHEAST					
Total	3,716.1	3,186.2	4,285.6	3,743.4	14,931.2
Average	337.8	289.7	389.6	340.3	1,357.4
MIDWEST					
Total	4,313.7	2,857.9	7,030.8	3,952.6	18,154.7
Average	616.2	408.3	1,004.4	564.7	2,593.5
NORTHEAST AND MIDWEST					
Total	8,029.8	6,044.1	11,316.4	7,696.0	33,085.9
Average	446.1	335.8	628.7	427.6	1,838.1
SOUTH					
Total	4,898.8	3,527.3	11,954.2	7,303.3	27,683.7
Average	326.6	235.2	796.9	486.9	1,845.6
WEST					
Total	3,406.4	2,987.2	5,338.0	5,627.0	17,358.5
Average	189.2	166.0	296.6	312.6	964.4
SOUTH AND WEST					
Total	8,305.2	6,514.5	17,292.2	12,930.3	45,042.2
Average	251.7	197.4	524.0	391.8	1,364.9
UNITED STATES					
Total	16,334.8	12,558.6	28,608.6	20,623.9	78,128.1
Average	320.3	246.2	561.0	404.4	1,531.9

a/ Electricity is distributed among each end-use sector.

SOURCE: Staff calculations from the U.S. Department of Energy, Energy Information Administration, State Energy Data Report, (Washington, D.C.: Department of Energy, April 1980), pp. 3-4.

APPENDIX P

INDUSTRIAL ELECTRICITY PRICES: 1970-76, BY REGION AND STATE
(average monthly bills in dollars)

Region and State	Year 1970	Year 1976	Change 1970-76 Number	Change 1970-76 Percent
NEW ENGLAND				
Connecticut	$ 1,215	$ 2,477	$ 1,262	103.9
Maine	1,243	1,784	541	43.5
Massachusetts	1,297	2,638	1,341	103.4
New Hampshire	1,155	2,321	1,166	101.0
Rhode Island	1,115	2,398	1,283	115.1
Vermont	1,038	2,121	1,083	104.3
Total	7,063	13,739	6,676	-
Average	1,177.2	2,289.8	1,112.6	94.5
MID-ATLANTIC				
Delaware	1,203	2,845	1,342	111.6
Maryland	1,161	2,346	1,185	102.1
New Jersey	1,061	2,929	1,868	176.1
New York	1,761	4,082	2,321	131.8
Pennsylvania	1,095	2,338	1,243	113.5
Total	6,281	14,540	7,959	-
Average	1,256.2	2,908.0	1,591.8	126.7
MIDWEST				
Illinois	1,297	2,412	1,115	86.0
Indiana	1,139	1,912	773	67.9
Iowa	1,217	2,215	998	82.0
Michigan	1,240	2,172	932	75.2
Minnesota	1,314	1,836	522	39.7
Ohio	1,198	2,052	854	71.3
Wisconsin	1,227	1,983	756	61.6
Total	8,632	14,582	5,950	-
Average	1,233.1	2,083.1	850.0	68.9
SOUTH				
Alabama	1,062	1,939	877	82.6
Arkansas	1,057	1,778	721	68.2
District of Columbia	1,019	2,833	1,814	178.0
Florida	1,126	2,314	1,188	105.5
Georgia	1,010	2,297	1,287	127.4
Kentucky	997	1,529	532	53.4
Louisiana	972	1,866	894	92.0
Mississippi	1,114	2,223	1,109	99.6
North Carolina	817	1,791	974	119.2
Oklahoma	1,009	1,307	298	29.5
South Carolina	910	1,729	819	90.0
Tennessee	737	1,518	781	106.0
Texas	1,006	1,756	750	74.6

APPENDIX P
(continued)

Region and State	Year 1970	Year 1976	Change 1970-76 Number	Change 1970-76 Percent
SOUTH (continued)				
Virginia	974	2,179	1,205	123.7
West Virginia	970	1,968	998	102.9
Total	14,780	29,027	14,247	-
Average	985.3	1,935.1	949.8	96.4
WEST				
Alaska	1,381	1,564	183	13.3
Arizona	1,257	2,509	1,252	99.6
California	873	2,001	1,128	129.2
Colorado	1,019	1,895	876	86.0
Hawaii	1,273	2,638	1,365	107.2
Idaho	949	1,173	224	23.6
Kansas	1,147	1,905	758	66.1
Missouri	1,234	2,156	922	74.7
Montana	945	1,049	104	11.0
Nebraska	910	1,432	522	57.4
Nevada	1,111	1,932	821	73.9
New Mexico	1,133	1,971	838	74.0
North Dakota	1,304	2,208	904	69.3
Oregon	669	1,028	359	53.6
South Dakota	1,264	1,836	572	45.3
Utah	960	1,384	424	44.2
Washington	592	765	173	29.2
Wyoming	983	1,000	17	1.7
Total	19,004	30,446	11,442	-
Average	1,055.8	1,691.4	635.6	60.2
NORTHEAST	1,213.1	2,570.8	1,357.7	111.9
MIDWEST	1,233.1	2,083.1	850.0	68.9
NORTHEAST AND MIDWEST	1,220.9	2,381.2	1,160.3	95.0
SOUTH	985.3	1,935.1	949.8	96.4
WEST	1,055.8	1,691.4	635.6	60.2
SOUTH AND WEST	1,023.8	1,802.2	778.4	76.0
UNITED STATES[a]	1,093.3	2,348.0	-	-

[a] Regional totals do not add up to national totals because revised data was not available for individual states.

SOURCE: Staff calculations from the U.S. Department of Energy, Energy Information Administration, Energy Data Report: Typical Electric Bills (Washington, D.C.: Department of Energy, January 1979).

COST OF FUELS AND ELECTRIC ENERGY FOR MANUFACTURING: 1977
BY REGION AND STATE
(in thousands of dollars per trillion BTU)

Region and State	Average Fuel Costs	Average Electric Costs	Average Fuel and Electric Costs
NEW ENGLAND			
Connecticut	2,517	34	4,223
Maine	2,183	23	2,700
Massachusetts	2,294	36	2,941
New Hampshire	2,279	28	3,422
Rhode Island	2,309	34	2,959
Vermont	2,600	25	3,905
Total or Average	2,364	30	3,358
MID-ATLANTIC			
Delaware	2,114	29	3,233
Maryland	1,961	22	2,868
New Jersey	2,249	30	3,492
New York	2,030	20	3,069
Pennsylvania	1,965	26	2,782
Total or Average	2,064	25	3,089
MIDWEST			
Illinois	1,894	24	2,768
Indiana	1,768	21	2,547
Iowa	1,515	24	2,288
Michigan	1,857	28	2,946
Minnesota	1,598	25	2,601
Ohio	2,005	19	2,876
Wisconsin	1,834	25	2,728
Total or Average	1,782	24	2,679
SOUTH			
Alabama	1,664	20	2,706
Arkansas	1,473	22	2,260
District of Columbia	2,222	31	4,933
Florida	1,623	28	2,640
Georgia	1,799	25	2,887
Kentucky	1,905	16	3,083
Louisiana	1,027	14	1,335
Mississippi	1,654	23	2,492
North Carolina	2,099	21	3,180
Oklahoma	1,405	20	1,960
South Carolina	1,787	20	2,800
Tennessee	1,504	16	2,628
Texas	1,605	19	2,015

APPENDIX Q
(continued)

Region and State	Average Fuel Costs	Average Electric Costs	Average Fuel and Electric Costs
SOUTH (continued)			
Virginia	1,911	26	2,820
West Virginia	1,589	17	2,234
Total or Average	1,684	21	2,665
WEST			
Alaska	1,778	28	2,273
Arizona	1,268	25	2,230
California	1,848	29	3,202
Colorado	1,116	20	2,273
Hawaii	2,118	27	3,351
Idaho	1,788	10	2,139
Kansas	1,249	24	2,081
Missouri	1,581	20	2,418
Montana	1,600	6	1,701
Nebraska	1,315	21	2,084
Nevada	1,493	14	2,060
New Mexico	1,619	24	2,313
North Dakota	1,563	24	2,159
Oregon	1,960	10	2,307
South Dakota	1,787	28	2,740
Utah	1,240	20	1,733
Washington	1,879	6	1,922
Wyoming	1,227	11	1,526
Total or Average	1,579	19	2,251
NORTHEAST	2,214	28	3,236
MIDWEST	1,782	24	2,679
NORTHEAST AND MIDWEST	1,998	26	3,019
SOUTH	1,684	21	2,665
WEST	1,579	19	2,251
SOUTH AND WEST	1,632	20	2,439
UNITED STATES	1,815	23	2,643

SOURCE: Staff calculations are from "Fuels and Electric Energy Consumed," 1972 Census of Manufactures, MC77-SR-4 (Washington, D.C.: U.S. Department of Commerce, June 1979) pp. 6-7.

NATURAL GAS, RETAIL PRICES BY SECTOR: 1970-1978, BY REGION AND STATE

Region and State	1970 Residential	1970 Commercial	1970 Industrial	1970 Average Price	1978 Residential	1978 Commercial	1978 Industrial	1978 Average Price	Change 1970-1978 Number	Change 1970-1978 Percent
NEW ENGLAND										
Connecticut	1.85	1.43	1.01	1.43	4.33	3.65	2.99	3.66	2.23	155.90
Maine	3.04	1.87	1.35	2.09	3.46	3.17	2.69	3.11	1.11	53.11
Massachusetts	1.86	1.37	1.01	1.41	4.04	3.43	2.91	3.46	2.05	145.39
New Hampshire	1.78	1.26	0.88	1.31	3.46	3.17	2.69	3.11	1.80	137.40
Rhode Island	1.78	1.43	0.84	1.35	4.05	3.18	2.71	3.31	2.08	154.07
Vermont	1.72	1.31	0.60	1.21	3.46	3.17	2.69	3.11	1.90	157.02
Total or Average[a/]	2.00	1.45	0.95	1.47	3.80	3.30	2.78	3.29	1.83	124.49
MID-ATLANTIC										
Delaware	1.54	1.21	0.57	1.11	3.93	3.73	2.43	3.36	2.25	202.70
Maryland	1.41	1.08	0.66	1.05	3.29	2.87	2.52	2.89	1.84	175.24
New Jersey	1.83	1.37	0.67	1.29	3.42	3.27	3.28	3.32	2.03	157.36
New York	1.35	1.15	0.67	1.06	3.56	2.96	2.20	2.91	1.85	174.53
Pennsylvania	1.20	0.94	0.57	0.90	2.55	2.32	1.95	2.27	1.37	152.22
Total or Average	1.47	1.15	0.63	1.08	3.35	3.03	2.48	2.95	1.87	173.15
MIDWEST										
Illinois	1.01	0.73	0.49	0.74	2.43	2.20	2.06	2.23	1.49	201.35
Indiana	0.98	0.81	0.46	0.75	2.10	1.95	1.64	1.90	1.15	153.33
Iowa	0.94	0.67	0.36	0.66	2.18	1.92	1.61	1.90	1.24	187.88
Michigan	0.98	0.81	0.51	0.77	2.24	2.16	1.84	2.08	1.31	170.13
Minnesota	1.06	0.67	0.41	0.71	2.33	1.96	1.20	1.83	1.12	157.75
Ohio	0.87	0.74	0.56	0.72	2.35	2.17	1.94	2.15	1.43	198.61
Wisconsin	1.21	0.81	0.53	0.85	2.60	2.27	1.97	2.28	1.43	168.24
Total or Average	1.01	0.75	0.47	0.74	2.32	2.09	1.75	2.05	1.31	177.03
SOUTH										
Alabama	1.09	0.58	0.32	0.66	2.62	2.03	1.58	2.08	1.42	215.15
Arkansas	0.73	0.51	0.27	0.50	1.90	1.57	1.09	1.52	1.02	204.00
District of Columbia	1.41	1.08	0.43	0.97	3.29	2.87	2.52	2.89	1.92	197.94
Florida	2.44	0.90	0.38	1.24	3.43	1.97	1.12	2.17	0.93	75.00
Georgia	1.02	0.72	0.40	0.85	2.26	2.01	1.70	1.99	1.14	134.12
Kentucky	0.80	0.65	0.46	0.64	1.88	1.77	1.52	1.72	1.08	168.75
Louisiana	0.75	0.37	0.22	0.45	2.39	1.40	0.79	1.53	1.08	240.00
Mississippi	0.86	0.56	0.28	0.57	2.32	1.96	1.42	1.90	1.33	233.33
North Carolina	1.26	0.93	0.50	0.90	2.91	2.71	1.90	2.51	1.61	178.89
Oklahoma	0.81	0.51	0.20	0.51	1.87	1.63	1.20	1.57	1.06	207.84
South Carolina	1.31	0.86	0.45	0.87	2.91	2.38	1.79	2.36	1.49	171.26
Tennessee	0.88	0.69	0.38	0.65	2.07	1.98	1.56	1.87	1.22	187.69
Texas	0.89	0.44	0.19	0.51	2.65	2.13	1.20	1.99	1.48	290.20
Virginia	1.44	0.93	0.49	0.95	3.17	2.65	2.07	2.63	1.68	176.84
West Virginia	0.86	0.68	0.44	0.66	2.53	2.09	1.80	2.14	1.48	224.24
Total or Average	1.10	0.69	0.36	0.72	2.55	2.07	1.55	2.06	1.34	186.11

APPENDIX R
(continued)

Region and State	1970 Residential	1970 Commercial	1970 Industrial	1970 Average Price	1978 Residential	1978 Commercial	1978 Industrial	1978 Average Price	Change 1970-1978 Number	Change 1970-1978 Percent
WEST										
Alaska	1.47	0.66	0.36	0.83	1.71	1.28	0.82	1.27	0.44	53.01
Arizona	1.16	0.61	0.42	0.73	2.97	2.13	1.57	2.22	1.49	204.11
California	0.95	0.71	0.38	0.68	1.92	2.18	1.96	2.02	1.34	197.06
Colorado	0.70	0.55	0.26	0.50	1.88	1.67	1.24	1.60	1.10	220.00
Hawaii	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Idaho	1.35	0.98	0.43	0.92	3.30	2.98	2.17	2.82	1.90	206.52
Kansas	0.66	0.44	0.26	0.45	1.72	1.13	1.10	1.32	0.87	193.33
Missouri	0.93	0.61	0.39	0.64	2.22	1.94	1.42	1.86	1.22	190.63
Montana	0.88	0.60	0.30	0.59	1.84	1.61	1.50	1.65	1.06	179.66
Nebraska	0.82	0.51	0.31	0.55	1.91	1.49	1.06	1.49	0.94	170.91
Nevada	1.46	0.73	0.54	0.91	2.71	2.33	1.72	2.25	1.34	147.25
New Mexico	0.90	0.46	0.20	0.52	2.42	1.94	1.08	1.81	1.29	248.08
North Dakota	0.99	0.67	0.18	0.61	2.26	1.88	0.73	1.62	1.01	165.57
Oregon	1.46	1.24	0.47	1.06	3.71	3.28	2.44	3.14	2.08	196.23
South Dakota	1.01	0.62	0.32	0.65	2.03	1.67	1.55	1.75	1.10	169.23
Utah	0.82	0.57	0.29	0.56	1.87	1.62	1.30	1.60	1.04	185.71
Washington	1.36	1.07	0.39	0.94	3.37	2.76	2.43	2.85	1.91	203.19
Wyoming	0.66	0.42	0.21	0.43	1.85	1.6	1.06	1.50	1.07	248.84
Total or Average	0.98	0.64	0.32	0.64	2.21	1.86	1.40	1.82	1.18	184.38
NORTHEAST	1.76	1.31	0.80	1.29	3.60	3.17	2.64	3.14	1.85	143.41
MIDWEST	1.01	0.75	0.47	0.74	2.32	2.09	1.75	2.05	1.31	177.03
NORTHEAST AND MIDWEST	1.47	1.09	0.68	1.08	3.10	2.75	2.30	2.72	1.64	151.85
SOUTH	1.10	0.69	0.36	0.72	2.55	2.07	1.55	2.06	1.34	186.11
WEST	0.98	0.64	0.32	0.65	2.21	1.86	1.40	1.82	1.17	180.00
SOUTH AND WEST	1.03	0.66	0.34	0.68	2.36	1.96	1.47	1.93	1.25	183.82
UNITED STATES	1.19	0.81	0.46	0.82	2.62	2.24	1.76	2.21	1.39	163.50

a/Average price is not weighted.

SOURCE: Staff calculations from the Department of Energy, Energy Information Administration, State BTU Unit Price Data Base (Washington, D.C.: U.S. Department of Energy, April 1980), Table 3.

APPENDIX S

THE FEDERAL BALANCE OF PAYMENTS: FISCAL 1979
(in millions of dollars)

Region and State	Spending Per Person	Taxes Per Person	Spending-Taxes Ratio	Dollar Flow
NEW ENGLAND	2,342	2,147	1.09	$2,390
Connecticut	2,653	2,591	1.02	192
Maine	2,067	1,569	1.32	545
Massachusetts	2,376	2,101	1.13	1,590
New Hampshire	1,899	2,058	.92	-140
Rhode Island	2,070	1,989	1.04	75
Vermont	1,873	1,612	1.16	128
MID-ATLANTIC	2,043	2,232	.92	-7,870
Delaware	1,765	2,377	.74	-357
Maryland	2,808	2,372	1.18	1,809
New Jersey	1,724	2,484	.69	-5,562
New York	2,097	2,195	.96	-1,727
Pennsylvania	1,903	2,076	.92	-2,033
MIDWEST	1,627	2,252	.72	-30,156
Illinois	1,849	2,530	.73	-7,650
Indiana	1,471	2,101	.70	-3,400
Iowa	1,601	2,103	.76	-1,456
Michigan	1,558	2,347	.66	-7,249
Minnesota	1,810	2,129	.85	-1,290
Ohio	1,545	2,172	.71	-6,731
Wisconsin	1,454	1,960	.74	-2,380
SOUTH	2,064	1,844	1.12	14,394
Alabama	1,998	1,611	1.24	1,453
Arkansas	1,821	1,477	1.23	748
Florida	2,241	2,022	1.11	1,920
Georgia	1,909	1,721	1.11	958
Kentucky	1,882	1,693	1.11	665
Louisiana	1,876	1,786	1.05	359
Mississippi	2,082	1,329	1.57	1,820
North Carolina	1,617	1,669	.97	-294
Oklahoma	2,054	1,890	1.09	471
South Carolina	1,844	1,593	1.16	732
Tennessee	2,391	1,725	1.39	2,902
Texas	1,985	2,142	.93	-2,074
Virginia	2,924	2,073	1.41	4,390
West Virginia	1,896	1,712	1.11	344

Region and State	Spending Per Person	Taxes Per Person	Spending-Taxes Ratio	Dollar Flow
WEST	2,355	2,205	1.07	$7,607
Alaska	4,724	3,264	1.45	597
Arizona	2,292	1,897	1.21	953
California	2,334	2,383	.98	-1,095
Colorado	2,268	2,145	1.06	337
Hawaii	2,925	2,238	1.31	625
Idaho	2,056	1,713	1.20	307
Kansas	2,006	2,099	.96	-218
Missouri	2,455	2,080	1.25	2,383
Montana	2,240	1,893	1.18	272
Nebraska	2,106	2,003	1.05	163
Nevada	2,446	2,630	.93	-126
New Mexico	3,171	1,664	1.91	1,851
North Dakota	2,412	1,840	1.31	375
Oregon	1,939	2,210	.88	-674
South Dakota	2,245	1,616	1.39	434
Utah	2,123	1,660	1.28	621
Washington	2,570	2,334	1.10	910
Wyoming	2,178	2,425	.90	-108
District of Columbia	23,245	2,711	8.58	13,635
NORTHEAST	2,111	2,213	.95	-5,480
MIDWEST	1,627	2,252	.72	-30,156
NORTHEAST AND MIDWEST	1,882	2,232	.84	-35,636
SOUTH	2,064	1,844	1.12	14,394
WEST	2,355	2,205	1.07	7,607
SOUTH AND WEST	2,191	2,002	1.09	22,001
UNITED STATES	2,111	2,111	1.00	0

SOURCE: Staff calculations from Lillian Rymarowicz, "Tabulations: Estimated Federal Tax Payments by Residents of Individual States Compared to Estimated Outlays in the States, Fiscal Year 1979" (Washington, D.C.: Congressional Research Service, July 9, 1980), pp. 1-2, 5-6.

APPENDIX T

TOTAL DEPARTMENT OF DEFENSE EMPLOYMENT: 1970-79, BY REGION AND STATE

Region and State	1970 Number	1970 Percent of Total	1979 Number	1979 Percent of Total	Change 1970-79 Number	Change 1970-79 Percent
NEW ENGLAND						
Connecticut	9,192	0.3	9,720	0.5	528	5.7
Maine	8,388	0.3	7,111	0.3	-1,277	-15.2
Massachusetts	42,304	1.6	21,707	1.0	-20,597	-48.7
New Hampshire	14,260	0.5	13,002	0.6	-1,258	-8.8
Rhode Island	16,792	0.6	7,004	0.3	-9,788	-58.3
Vermont	687	0.0	636	0.0	-51	-7.4
Total or Average	91,623	3.4	59,180	2.7	-32,443	-35.4
MID-ATLANTIC						
Delaware	8,284	0.3	6,953	0.3	-1,331	-16.1
Maryland	72,458	2.7	45,192	2.1	-27,266	-37.6
New Jersey	81,615	3.0	46,511	2.1	-35,104	-43.0
New York	50,324	1.8	35,005	1.6	-15,319	-30.4
Pennsylvania	80,077	2.9	57,714	2.7	-22,363	-27.9
Total or Average	292,758	10.7	191,375	8.8	-101,383	-34.6
MIDWEST						
Illinois	78,801	2.9	59,975	2.8	-18,826	-23.9
Indiana	24,189	0.9	18,265	0.8	-5,924	-24.5
Iowa	1,835	0.1	1,846	0.1	11	0.6
Michigan	26,799	1.0	20,639	1.0	-6,160	-23.0
Minnesota	6,959	0.3	4,999	0.2	-1,960	-28.2
Ohio	57,296	2.1	43,167	2.0	-14,129	-24.7
Wisconsin	5,248	0.2	3,803	0.2	-1,445	-27.5
Total or Average	201,127	7.4	152,694	7.0	-48,433	-24.1
SOUTH						
Alabama	54,242	2.0	46,956	2.2	-7,286	-13.4
Arkansas	13,679	0.5	13,593	0.6	-86	-0.6
District of Columbia	174,458	6.4	132,724	6.1	-41,734	-23.9
Florida	106,277	3.9	96,337	4.4	-9,940	-9.4
Georgia	116,637	4.3	96,364	4.4	-20,273	-17.4
Kentucky	59,786	2.2	50,858	2.3	-8,928	-14.9
Louisiana	41,611	1.5	31,285	1.4	-10,326	-24.8
Mississippi	28,150	1.0	28,437	1.3	287	1.0
North Carolina	117,555	4.3	100,980	4.6	-16,575	-14.1
Oklahoma	68,610	2.5	51,917	2.4	-16,693	-24.3
South Carolina	71,409	2.6	67,553	3.1	-3,856	-5.4
Tennessee	22,510	0.8	16,544	0.8	-5,956	-26.5
Texas	243,375	8.9	194,606	9.0	-48,769	-20.0

APPENDIX T
(continued)

Region and State	1970 Number	1970 Percent of Total	1979 Number	1979 Percent of Total	Change 1970-79 Number	Change 1970-79 Percent
SOUTH (continued)						
Virginia	109,503	4.0	103,546	4.8	-5,957	-5.4
West Virginia	1,855	0.1	1,977	0.1	122	6.7
Total or Average	1,229,657	45.1	1,033,677	47.5	-195,970	-15.9
WEST						
Alaska	35,728	1.3	25,276	1.2	-10,452	-29.3
Arizona	36,554	1.3	34,275	1.6	-2,279	-6.2
California	412,960	15.1	316,572	14.6	-96,388	-23.3
Colorado	61,935	2.3	49,800	2.3	-12,135	-19.6
Hawaii	55,366	2.0	62,290	2.9	-6,924	-12.5
Idaho	6,206	0.2	6,891	0.3	685	11.0
Kansas	42,530	1.6	31,279	1.4	-11,251	-26.5
Missouri	54,241	2.0	36,884	1.7	-17,357	-32.0
Montana	7,523	0.3	5,976	0.3	-1,547	-20.6
Nebraska	16,120	0.6	15,385	0.7	-735	-4.6
Nevada	12,308	0.5	11,690	0.5	-618	-5.0
New Mexico	27,717	1.0	24,971	1.2	-2,746	-9.9
North Dakota	14,048	0.5	12,482	0.6	1,566	-11.2
Oregon	6,492	0.2	4,310	0.2	-2,182	-33.6
South Dakota	6,902	0.3	7,385	0.3	483	7.0
Utah	30,702	1.1	26,840	1.2	-3,862	-12.6
Washington	81,834	3.0	61,761	2.8	-20,073	-24.5
Wyoming	4,328	0.2	4,551	0.2	223	5.2
Total or Average	913,494	33.5	738,618	34.0	-174,876	-19.1
NORTHEAST	384,381	14.1	250,555	11.5	-133,826	-34.8
MIDWEST	201,127	7.4	152,694	7.0	-48,433	-24.1
NORTHEAST AND MIDWEST	585,508	21.5	403,249	18.5	-182,259	-31.1
SOUTH	1,229,657	45.1	1,033,687	47.5	-195,970	-15.9
WEST	913,494	33.5	738,618	34.0	-174,876	-19.1
SOUTH AND WEST	2,143,151	78.5	1,772,305	81.5	-370,846	-17.3
UNITED STATES[a]	2,728,659	100.0	2,175,554	100.0	-553,105	-20.3

[a] Total excludes overseas and undistributed personnel.

SOURCE: Staff calculations from the U.S. Department of Defense, Washington Headquarters Service, Defense Personnel and Total Population in the United States by States (Washington, D.C.: U.S. Department of Defense, 1979).

APPENDIX U

TOTAL DEPARTMENT OF DEFENSE PAYROLL: 1970-79, BY REGION AND STATE

Region and State	1970 Number	1970 Percent of Total	1979 Number	1979 Percent of Total	Change 1970-79 Number	Change 1970-79 Percent
NEW ENGLAND						
Connecticut	109,391	0.5	211,589	0.5	102,198	93.4
Maine	73,695	0.3	163,940	0.4	90,245	122.5
Massachusetts	429,789	1.8	561,751	1.3	131,962	30.7
New Hampshire	135,393	0.6	275,030	0.6	139,637	103.1
Rhode Island	153,359	0.7	221,816	0.5	68,457	44.6
Vermont	13,839	0.1	37,444	0.1	23,605	170.6
Total or Average	915,466	3.9	1,471,570	3.4	556,104	60.8
MID-ATLANTIC						
Delaware	69,600	0.3	136,577	0.3	66,977	96.2
Maryland	874,360	3.8	1,494,454	3.4	620,094	70.9
New Jersey	626,347	2.7	893,611	2.0	267,264	42.7
New York	571,062	2.5	921,555	2.1	350,493	61.4
Pennsylvania	854,991	3.7	1,359,706	3.1	504,715	59.0
Total or Average	2,996,360	12.9	4,805,903	11.0	1,809,543	60.4
MIDWEST						
Illinois	682,047	2.9	1,025,676	2.3	343,629	50.4
Indiana	257,781	1.1	466,302	1.1	208,521	80.9
Iowa	42,387	0.2	103,373	0.2	60,986	143.9
Michigan	275,116	1.2	498,049	1.1	222,933	81.0
Minnesota	97,720	0.4	202,008	0.5	104,288	106.7
Ohio	626,777	2.7	1,030,459	2.4	403,682	64.4
Wisconsin	78,665	0.3	177,824	0.4	99,159	126.1
Total or Average	2,060,493	8.8	3,503,691	8.0	1,443,198	70.0
SOUTH						
Alabama	495,635	2.1	1,008,271	2.3	512,636	103.4
Arkansas	137,357	0.6	357,257	0.8	219,900	160.1
District of Columbia	483,530	2.1	685,472	1.6	201,942	41.8
Florida	967,595	4.2	2,377,311	5.4	1,409,716	145.7
Georgia	922,854	4.0	1,760,223	4.0	837,369	90.7
Kentucky	387,770	1.7	842,983	1.9	455,213	117.4
Louisiana	312,527	1.3	633,418	1.4	320,891	102.7
Mississippi	249,458	1.1	556,152	1.3	306,694	122.9
North Carolina	702,905	3.0	1,599,437	3.7	896,532	127.6
Oklahoma	596,455	2.6	990,848	2.3	394,393	66.1
South Carolina	522,494	2.2	1,126,895	2.6	604,401	115.7
Tennessee	207,542	0.9	499,748	1.1	292,206	140.8
Texas	2,070,129	8.9	3,817,349	8.7	1,747,220	84.4

APPENDIX U
(continued)

Region and State	1970 Number	1970 Percent of Total	1979 Number	1979 Percent of Total	Change 1970-79 Number	Change 1970-79 Percent
SOUTH (continued)						
Virginia	1,659,628	7.1	3,364,673	7.7	1,705,045	102.7
West Virginia	32,269	0.1	95,836	0.2	63,567	197.0
Total or Average	9,748,148	41.8	19,715,873	44.9	9,967,725	102.3
WEST						
Alaska	233,289	1.0	377,847	0.9	144,558	62.0
Arizona	300,859	1.3	726,579	1.7	425,720	141.5
California	3,562,060	15.3	6,312,569	14.4	2,750,509	77.2
Colorado	500,838	2.2	984,698	2.2	483,860	96.6
Hawaii	380,406	1.6	984,483	2.2	604,077	158.8
Idaho	52,702	0.2	147,720	0.3	95,018	180.3
Kansas	310,342	1.3	533,256	1.2	222,914	71.8
Missouri	449,225	1.9	742,075	1.7	292,850	65.2
Montana	65,896	0.3	123,003	0.3	57,107	6.7
Nebraska	147,839	0.6	311,000	0.7	163,161	110.4
Nevada	100,803	0.4	243,376	0.6	142,573	141.4
New Mexico	238,776	1.0	487,674	1.1	248,898	104.2
North Dakota	105,575	0.5	187,270	0.4	81,695	77.4
Oregon	84,975	0.4	210,839	0.5	125,864	148.1
South Dakota	58,497	0.3	130,556	0.3	72,059	123.2
Utah	286,010	1.2	526,216	1.2	240,206	84.0
Washington	658,837	2.8	1,255,210	2.9	596,373	90.5
Wyoming	38,230	0.2	86,381	2.2	48,151	126.0
Total or Average	7,575,159	32.6	14,370,752	32.8	6,795,593	89.7
NORTHEAST	3,911,826	16.8	6,277,473	14.3	2,365,647	60.5
MIDWEST	2,060,493	8.8	3,503,691	8.0	1,443,198	70.0
NORTHEAST AND MIDWEST	5,972,319	25.6	9,781,164	22.3	3,808,845	63.8
SOUTH	9,748,148	41.8	19,715,873	44.9	9,967,725	102.3
WEST	7,575,159	32.6	14,370,752	32.8	6,795,593	89.7
SOUTH AND WEST	17,323,307	74.4	34,086,625	77.7	16,763,318	96.8
UNITED STATES	23,305,626	100.0	43,867,789	100.0	20,572,163	88.2

SOURCE: Staff calculations from the U.S. Department of Defense, Office of the Assistant Secretary of Defense (Comptroller), DOD Estimated Payroll and Prime Contracts by State (Washington, D.C.: U.S. Department of Defense, 1980).

FEDERAL PROCUREMENT: FISCAL 1979, BY REGION AND STATE[a]/
(Numbers in thousands)

Region and State	Military Amount	Military Percent of Total	Civilian Amount	Civilian Percent of Total	Total Amount	Total Percent of Total
NEW ENGLAND						
Connecticut	4,153,563	7.2	196,181	1.0	4,349,744	5.6
Maine	411,517	0.7	19,394	0.1	430,911	0.6
Massachusetts	2,805,795	4.9	316,111	1.6	3,121,906	4.0
New Hampshire	241,023	0.4	13,435	0.1	254,458	0.3
Rhode Island	188,304	0.3	23,543	0.1	211,847	0.3
Vermont	100,017	0.2	18,054	0.1	118,071	0.2
Total or Average	7,900,219	13.7	586,718	2.9	8,486,937	10.9
MID-ATLANTIC						
Delaware	90,336	0.2	12,662	0.1	102,998	0.1
Maryland	1,451,081	2.5	759,972	3.8	2,211,053	2.8
New Jersey	1,093,316	1.9	389,586	1.9	1,482,902	1.9
New York	4,087,594	7.1	709,981	3.5	4,797,575	6.2
Pennsylvania	2,387,418	4.1	770,837	3.8	3,158,255	4.1
Total or Average	9,109,745	15.8	2,643,038	13.1	11,752,783	15.1
MIDWEST						
Illinois	797,512	1.4	717,226	3.6	1,514,738	2.0
Indiana	1,164,920	2.0	91,806	0.5	1,256,726	1.6
Iowa	285,956	0.5	109,182	0.5	395,138	0.5
Michigan	1,568,753	2.7	867,389	4.3	2,436,142	3.1
Minnesota	1,299,312	2.3	168,591	0.8	1,467,903	1.9
Ohio	1,228,902	2.1	833,662	4.1	2,062,564	2.7
Wisconsin	387,228	0.7	230,309	1.1	617,537	0.8
Total or Average	6,732,583	11.7	3,018,165	15.0	9,750,748	12.5
SOUTH						
Alabama	525,668	0.9	257,676	1.3	783,344	1.0
Arkansas	119,845	0.2	148,019	0.7	267,864	0.3
District of Columbia	378,778	0.7	784,356	3.9	1,163,134	1.5
Florida	1,903,281	3.3	885,002	4.4	2,788,283	3.6
Georgia	665,996	1.2	199,998	1.0	865,994	1.1
Kentucky[b]/	196,640	0.3	-222,898	-1.1	-26,258	-13.4
Louisiana	514,629	0.9	212,059	1.1	726,688	0.9
Mississippi	750,086	1.3	97,072	0.5	847,158	1.1
North Carolina	583,954	1.0	224,796	1.1	808,750	1.0
Oklahoma	354,986	0.6	86,202	0.4	441,188	0.6
South Carolina	309,650	0.5	412,028	2.0	721,678	0.9
Tennessee	468,752	0.8	848,806	4.2	1,317,558	1.7
Texas	4,288,977	7.4	806,416	4.0	5,095,393	6.6

Region and State	Military Amount	Military Percent of Total	Civilian Amount	Civilian Percent of Total	Total Amount	Total Percent of Total
SOUTH (continued)						
Virginia	2,705,759	4.7	518,423	2.6	3,224,182	4.1
West Virginia	112,172	0.2	29,422	0.2	141,594	0.2
Total or Average	13,879,173	24.1	5,287,377	26.2	19,166,550	24.6
WEST						
Alaska	191,363	0.3	257,311	1.3	448,674	0.6
Arizona	825,811	1.4	172,665	0.9	998,476	1.3
California	11,018,518	19.1	3,796,788	18.8	14,815,306	19.0
Colorado	431,327	0.8	733,597	3.6	1,164,924	1.5
Hawaii	327,733	0.6	74,738	0.4	402,471	0.5
Idaho	28,457	0.1	268,471	1.3	296,928	0.4
Kansas	603,001	1.1	97,087	0.5	700,088	0.9
Missouri	3,473,921	6.0	463,428	2.3	3,937,349	5.1
Montana	56,773	0.1	63,625	0.3	120,398	0.2
Nebraska	90,806	0.2	104,802	0.5	195,608	0.3
Nevada	66,328	0.1	238,682	1.2	305,010	0.4
New Mexico	275,898	0.5	1,148,390	5.7	1,424,288	1.8
North Dakota	67,353	0.1	25,566	0.1	92,919	0.1
Oregon	210,279	0.4	184,226	0.9	394,505	0.5
South Dakota	28,838	0.1	64,923	0.3	93,761	0.1
Utah	639,164	1.1	156,738	0.8	795,902	1.0
Washington	1,634,751	2.8	558,640	2.8	2,193,391	2.8
Wyoming	52,039	0.1	232,864	1.2	284,903	0.4
Total or Average	20,022,360	34.7	8,642,541	42.8	28,664,901	36.8
NORTHEAST	17,009,964	29.5	3,229,756	16.0	20,239,720	26.0
MIDWEST	6,732,583	11.7	3,018,165	15.0	9,750,748	12.5
NORTHEAST AND MIDWEST	23,742,547	41.2	6,247,921	31.0	29,990,468	38.5
SOUTH	13,879,173	24.1	5,287,377	26.2	19,166,550	24.6
WEST	20,022,360	34.7	8,642,541	42.8	28,664,901	36.8
SOUTH AND WEST	33,901,533	58.8	13,929,918	69.0	47,831,451	61.5
UNITED STATES	57,644,080	100.0	20,177,839	100.0	77,821,919	100.0

a/Data consists of all prime contract awards over $10,000.

b/Kentucky has a negative procurement figure because of the cancellation by the Tennessee Valley Authority of a coal contract.

SOURCE: Staff calculations from the U.S. Office of Management and Budget, Office of Federal Procurement Policy Special Analysis 3: Federal Contract Awards Over/Under $10,000 to Minority and Small Disadvantaged Businesses (Washington, D.C.: U.S. Office of Management and Budget, 1979), p. 19.

APPENDIX W

TOTAL FEDERAL CIVILIAN EMPLOYMENT: 1970-78
BY REGION AND STATE[a/]

Region and State	1970		1978		Change 1970-78	
	Number	Percent	Number	Percent	Number	Percent
NEW ENGLAND						
Connecticut	15,929	1.0	16,436	0.9	507	3.2
Maine	6,298	0.4	6,965	0.4	667	10.6
Massachusetts	44,121	2.7	45,468	2.5	1,347	3.1
New Hampshire	4,271	0.3	5,127	0.3	856	20.0
Rhode Island	5,018	0.3	5,258	0.3	240	4.8
Vermont	3,181	0.2	3,861	0.2	680	21.4
Total or Average	78,818	4.8	83,115	4.6	4,297	5.5
MID-ATLANTIC						
Delaware	2,891	0.2	3,071	0.2	180	6.2
Maryland	76,347	4.6	91,451	5.0	15,104	19.8
New Jersey	38,198	2.3	42,785	2.3	4,587	12.0
New York	151,832	9.2	145,417	8.0	-6,415	-4.2
Pennsylvania	75,562	4.6	77,691	4.3	2,129	2.8
Total or Average	344,830	20.8	360,415	19.8	15,585	4.5
MIDWEST						
Illinois	83,465	5.0	80,961	4.4	-2,504	-3.0
Indiana	28,192	1.7	26,708	1.5	-1,484	-5.3
Iowa	16,740	1.0	17,514	1.0	774	4.6
Michigan	41,421	2.5	41,236	2.3	-185	-0.4
Minnesota	26,221	1.6	26,234	2.3	13	0.0
Ohio	60,357	3.6	56,274	3.1	-4,083	-6.8
Wisconsin	22,548	1.4	23,267	1.3	719	3.2
Total or Average	278,944	16.8	272,194	14.9	-6,750	-2.4
SOUTH						
Alabama	30,816	1.9	35,066	1.9	4,250	13.8
Arkansas	11,885	0.7	13,962	0.8	2,077	17.5
District of Columbia	171,713	10.4	190,857	10.5	19,144	11.1
Florida	39,996	2.4	49,773	2.7	9,777	24.4
Georgia	35,541	2.1	41,207	2.3	5,666	15.9
Kentucky	19,251	1.2	21,283	1.2	2,032	10.6
Louisiana	20,141	1.2	23,053	1.3	2,912	14.5
Mississippi	12,419	0.7	15,740	0.9	3,321	26.7
North Carolina	24,115	1.5	28,196	1.5	4,081	16.9
Oklahoma	21,286	1.3	22,705	1.2	1,419	6.7
South Carolina	10,659	0.6	12,519	0.7	1,860	17.5
Tennessee	37,383	2.3	60,257	3.3	22,874	61.2
Texas	74,313	4.5	89,441	4.9	15,128	20.4

APPENDIX W (continued)

Region and State	1970 Number	1970 Percent	1978 Number	1978 Percent	Change 1970-78 Number	Change 1970-78 Percent
SOUTH (continued)						
Virginia	41,454	2.5	47,122	2.6	5,668	13.7
West Virginia	11,832	0.7	14,044	0.8	2,212	18.7
Total or Average	562,804	34.0	665,225	36.5	102,421	18.2
WEST						
Alaska	8,130	0.5	10,727	0.6	2,597	31.9
Arizona	18,404	1.1	24,601	1.3	6,197	33.7
California	147,618	8.9	159,898	8.8	12,280	8.3
Colorado	25,503	1.5	33,982	1.9	8,479	33.2
Hawaii	4,793	0.3	5,310	0.3	517	10.8
Idaho	7,117	0.4	9,329	0.5	2,212	31.1
Kansas	16,652	1.0	16,458	0.9	-194	1.2
Missouri	42,559	2.6	45,306	2.5	2,747	6.5
Montana	8,845	0.5	10,935	0.6	2,090	23.6
Nebraska	11,448	0.7	11,758	0.6	310	2.7
Nevada	5,239	0.3	6,596	0.4	1,357	25.9
New Mexico	14,812	0.9	17,324	0.9	2,512	17.0
North Dakota	6,190	0.4	6,431	0.4	241	3.9
Oregon	20,466	1.2	23,415	1.3	2,949	14.4
South Dakota	7,986	0.5	8,549	0.5	563	7.0
Utah	11,875	0.7	13,186	0.7	1,311	11.0
Washington	29,763	1.8	34,058	1.9	4,295	14.4
Wyoming	4,351	0.3	5,506	0.3	1,155	26.5
Total or Average	391,751	23.6	443,369	24.3	51,618	13.2
NORTHEAST	423,648	25.6	443,530	24.3	19,882	4.7
MIDWEST	278,944	16.8	272,194	14.9	-6,750	-2.4
NORTHEAST AND MIDWEST	702,592	42.4	715,724	39.2	13,132	1.9
SOUTH	562,804	34.0	665,225	36.5	102,421	18.2
WEST	391,751	23.6	443,369	24.3	51,618	13.2
SOUTH AND WEST	954,555	57.6	1,108,594	60.8	154,039	16.1
UNITED STATES	1,657,147	100.0	1,824,318	100.0	167,171	10.1

a/ These figures do not include federal civilians who work for the Department of Defense.

SOURCE: Staff calculations from the Office of Personnel Management, Agency Compliance and Evaluation, Annual Report of Employment by Geographic Area, SM 68-13 (Washington, D.C.: Government Printing Office, 1970 and 1978).

APPENDIX X

AID TO FAMILIES WITH DEPENDENT CHILDREN
MONEY PAYMENTS AND RECIPIENTS: FISCAL 1978[a/]
(in dollars)

Region and State	Total Payments	Federal Share	Federal Reimbursement	Average Monthly Recipients	
				Total	Children
NEW ENGLAND					
Connecticut	158,236,689	79,118,345	50.0%	136,247	96,068
Maine	50,257,223	35,049,413	69.7	59,862	40,741
Massachusetts	470,795,832	243,024,808	51.6	368,844	247,873
New Hampshire	21,404,914	13,452,988	62.9	22,309	15,190
Rhode Island	58,532,778	33,363,701	57.0	51,700	35,886
Vermont	24,217,268	16,472,584	68.0	19,479	12,869
Total or Average	783,444,704	420,481,839	53.7	658,441	448,627
MID-ATLANTIC					
Delaware	27,264,029	13,632,015	50.0	31,300	27,222
Maryland	160,628,174	80,314,086	50.0	207,637	144,619
New Jersey	474,316,182	237,158,090	50.0	462,029	322,631
New York	1,467,488,117	733,744,058	50.0	1,173,326	815,622
Pennsylvania	719,413,650	386,468,861	53.7	660,587	447,801
Total or Average	2,849,110,152	1,451,317,110	50.0	2,534,879	1,757,895
MIDWEST					
Illinois	668,676,596	334,338,298	50.0	722,735	513,612
Indiana	114,823,052	66,436,617	57.9	154,589	111,633
Iowa	107,120,129	55,659,617	52.0	93,993	62,889
Michigan	763,797,695	381,898,846	50.0	621,878	430,764
Minnesota	172,828,844	95,505,219	55.3	130,982	89,826
Ohio	430,753,229	240,559,540	55.8	514,746	353,980
Wisconsin	248,913,826	145,689,261	58.5	195,867	136,093
Total or Average	2,506,913,371	1,320,087,398	52.7	2,434,790	1,698,797
SOUTH					
Alabama	75,569,018	54,913,312	72.7	172,661	125,986
Arkansas	49,937,257	35,984,787	72.1	90,016	66,714
District of Columbia	90,838,837	45,419,419	50.0	94,206	66,214
Florida	144,608,133	81,775,898	56.6	239,279	176,011
Georgia	101,859,657	67,043,965	65.8	219,944	162,969
Kentucky	119,584,115	83,362,085	69.7	170,510	121,367
Louisiana	93,021,490	65,533,640	70.5	207,768	155,066
Mississippi	31,401,427	26,099,716	83.1	167,860	127,267
North Carolina	135,252,924	91,715,006	67.8	197,076	143,137
Oklahoma	72,383,912	47,353,396	65.4	87,250	64,543
South Carolina	50,310,611	38,335,396	76.2	142,724	103,070
Tennessee	73,229,470	50,440,458	68.9	164,538	119,873
Texas	115,496,936	51,485,493	70.6	298,675	222,124

Region and State	Total Payments	Federal Share	Federal Reimbursement	Average Monthly Recipients	
				Total	Children
South (continued)					
Virginia	133,075,748	75,866,483	57.0%	165,333	117,815
West Virginia	51,826,095	36,361,153	70.2	66,031	47,980
Total or Average	1,338,395,630	851,690,207	63.6	2,483,871	1,951,334
WEST					
Alaska	17,203,331	8,601,665	50.0	12,306	8,824
Arizona	31,374,808	14,627,069	46.6	51,400	38,502
California	1,751,260,793	875,630,369	50.0	1,419,960	963,305
Colorado	73,582,215	39,521,007	53.7	84,198	59,172
Hawaii	82,510,520	41,255,259	50.0	58,480	39,250
Idaho	20,162,945	12,819,600	63.6	19,398	13,423
Kansas	67,612,121	35,394,944	52.4	70,156	51,345
Missouri	147,604,109	89,536,651	60.7	211,935	150,515
Montana	13,381,112	8,175,859	61.1	17,861	12,646
Nebraska	37,354,483	19,969,707	53.5	35,697	25,304
Nevada	7,667,452	3,833,726	50.0	10,423	7,438
New Mexico	32,262,212	23,177,172	71.8	51,621	36,623
North Dakota	13,825,836	7,011,081	50.7	13,813	9,595
Oregon	143,531,184	82,229,013	57.3	121,835	80,765
South Dakota	17,601,921	11,230,024	63.8	21,650	15,821
Utah	40,290,320	27,792,262	69.0	38,175	27,891
Washington	177,913,315	91,874,435	51.6	141,242	91,739
Wyoming	5,670,584	3,030,359	53.4	6,119	4,433
Total or Average	2,680,809,261	1,395,710,202	52.0	2,386,269	1,636,591
NORTHEAST	3,632,554,856	1,871,798,949	51.8	3,193,320	2,206,522
MIDWEST	2,506,913,371	1,320,087,398	51.0	2,434,790	1,698,797
NORTHEAST AND MIDWEST	6,139,468,227	3,191,886,347	51.9	5,628,110	3,905,319
SOUTH	1,338,395,630	881,690,365	65.9	2,483,871	1,951,334
WEST	2,680,809,261	1,395,710,202	52.0	2,386,269	1,636,591
SOUTH AND WEST	4,019,204,891	2,277,400,567	57.0	4,870,140	3,587,925
UNITED STATES[b]	10,158,673,118	5,469,286,914	53.8	10,498,250	7,493,244

[a] Includes emergency assistance, foster care, and home repairs.

[b] Total excludes U.S. territories.

SOURCE: Staff calculations from the U.S. Department of Health and Human Services, Social Security Administration, Office of Policy, Office of Research and Statistics, SSA Publication No. 13-11951, October 1980, Table 2, p. 3, and the U.S. Congress, House of Representatives, Committee on Ways and Means, Social Welfare Reform Amendments of 1979. (Washington, D.C.: Government Printing Office, September 20, 1979), pp. 87-88.

APPENDIX Y

MEDICAID EXPENDITURES: FISCAL 1978, BY REGION AND STATE
(in thousands of dollars)

Region and State	Total Medicaid Expenditures	Federal Medicaid Outlays	Federal Reimbursement
NEW ENGLAND			
Connecticut	251,016.8	125,659.5	50.1
Maine	109,942.0	76,817.4	69.9
Massachusetts	835,819.0	432,130.1	51.7
New Hampshire	50,249.4	31,628.6	62.9
Rhode Island	114,425.7	65,366.7	57.1
Vermont	46,036.1	31,392.3	68.2
Total or Average	1,407,489.0	762,994.6	54.2
MID-ATLANTIC			
Delaware	30,631.5	15,374.0	50.2
Maryland	287,898.7	144,707.9	50.3
New Jersey	563,092.4	283,519.0	50.4
New York	3,134,752.2	1,571,697.1	50.1
Pennsylvania	1,041,453.0	574,312.0	55.1
Total or Average	5,057,827.8	2,589,610.0	51.2
MIDWEST			
Illinois	990,459.8	495,229.9	50.0
Indiana	272,543.6	157,693.7	57.9
Iowa	181,713.3	94,903.4	52.2
Michigan	934,334.6	469,862.2	50.3
Minnesota	431,046.4	238,799.7	55.4
Ohio	617,250.5	342,653.1	55.5
Wisconsin	539,668.7	316,435.5	58.6
Total or Average	3,967,016.9	2,115,577.5	53.3
SOUTH			
Alabama	202,775.9	147,307.0	72.6
Arkansas	178,561.7	128,696.7	72.1
District of Columbia	119,431.9	60,369.4	50.5
Florida	267,721.1	151,637.5	56.6
Georgia	368,055.3	242,697.8	65.9
Kentucky	202,614.6	141,424.7	69.8
Louisiana	290,167.8	204,663.6	70.5
Mississippi	169,859.4	132,781.8	78.2
North Carolina	290,379.1	197,228.9	67.9
Oklahoma	209,350.6	137,071.3	65.5
South Carolina	168,512.5	121,475.8	72.1
Tennessee	270,912.3	186,841.8	69.0
Texas	789,519.2	479,737.6	60.8

Region and State	Total Medicaid Expenditures	Federal Medicaid Outlays	Federal Reimbursement
SOUTH (continued)			
Virginia	261,804.0	149,671.2	57.2
West Virginia	77,321.2	54,248.6	70.2
Total or Average	3,866,986.6	2,535,853.7	65.6
WEST			
Alaska	21,973.3	11,020.2	50.2
Arizona[a/]	NA	NA	NA
California	2,415,676.7	1,208,802.8	50.0
Colorado	145,155.4	78,153.2	53.8
Hawaii	77,933.3	39,153.5	50.2
Idaho	38,407.3	24,447.6	63.7
Kansas	145,094.8	76,169.1	52.5
Missouri	198,937.5	120,956.4	60.8
Montana	47,170.2	28,871.6	61.2
Nebraska	85,286.1	45,622.3	53.5
Nevada	25,819.4	12,998.7	50.3
New Mexico	56,671.4	40,730.6	71.9
North Dakota	37,041.8	18,825.5	50.8
Oregon	155,127.1	89,435.8	57.7
South Dakota	40,072.5	25,704.3	64.1
Utah	62,674.2	43,460.2	69.3
Washington	244,260.0	126,413.3	51.8
Wyoming	9,805.4	5,264.4	53.7
Total or Average	3,807,106.4	1,996,029.5	52.4
NORTHEAST	6,465,316.8	3,352,604.6	51.9
MIDWEST	3,967,016.9	2,115,577.5	53.3
NORTHEAST AND MIDWEST	10,432,333.7	5,468,182.1	52.4
SOUTH	3,866,986.6	2,535,853.7	65.6
WEST	3,807,106.4	1,996,029.5	52.4
SOUTH AND WEST	7,674,093.0	4,531,883.2	59.1
UNITED STATES[b/]	18,106,426.7	10,000,065.4	55.2

[a/] Disbursement figures for Arizona were not available for Fiscal 1978.
[b/] Total excludes U.S. territories.

SOURCE: Staff calculations are from the U.S. Department of Health and Human Services, Social Security Administration, Office of Policy, Office of Research and Statistics, Expenditure for Public Assistance Programs, Fiscal Year 1978, SSA Publication No. 13-1195 (Washington, D.C.: U.S. Department of Health and Human Services, October 1980), p. 10.